



**Franklin City Council Agenda
May 24, 2021
Council Chambers
207 West Second Avenue
Franklin, Virginia 23851**

**7:00 P.M.
Regular Meeting**

CALL TO ORDER. MAYOR FRANK M. RABIL

PLEASE TURN OFF CELL PHONES. MAYOR FRANK M. RABIL

PLEDGE OF ALLEGIANCE

CITIZEN'S TIME

AMENDMENTS TO AGENDA

1. CONSENT AGENDA:

- A. Approval of May 10, 2021 minutes
- B. Adult Abuse Prevention Month Resolution #2021-14
- C. Western Tidewater Free Clinic Update

2. FINANCIAL MATTERS

- A. American Rescue Plan Act Update

3. OLD/ NEW BUSINESS:

- A. Master Agreement on Terms and Conditions for Accepting State Aviation Funds
- B. Beautification Commission Bylaws
- C. Southampton County Courthouse Update
- D. City Manager's Report

4. COUNCIL/STAFF REPORTS ON BOARDS/COMMISSIONS

5. CLOSED SESSION

I move that the City of Franklin, Virginia City Council adjourn into a closed meeting pursuant to Virginia Code Section 2.2-3711-A-1, 1. discussion of appointments to boards and commissions, to discuss the following subject or subjects: Blackwater Regional Library Board, Beautification Commission, Western Tidewater Regional Jail, Industrial Development Authority, and;

2.2-3711-A-3, Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body specifically regarding property in Downtown Franklin.

2.2-3711-A-5, Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community specifically along Pretlow Industrial Park, Armory Drive, and Franklin Regional Airport.

2.2-3711-A-8 regarding consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel specifically regarding recent changes to the Code of Virginia related to City employees.

Motion Upon Returning to Open Session- I move that the City of Franklin, Virginia City Council adopt the attached closed meeting resolution to certify that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting held on May 24, 2021; (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the City of Franklin, Virginia City Council; and (iii) no action was taken in closed meeting regarding the items discussed.

6. ADJOURNMENT

MINUTES FROM THE MAY 10, 2021 REGULAR CITY COUNCIL MEETING

The Franklin City Council held a Regular City Council Meeting on May 10, 2021 at 7:00 p.m. in the City Council Chambers located at 207 West Second Avenue, Franklin, Virginia 23851.

Council Members in Attendance: Frank Rabil, Mayor; Bobby Cutchins, Vice-Mayor; Councilwoman Wynndolyn Copeland; Councilman Gregory McLemore; Councilman Ray Smith, Councilman Mark R. Kitchen and Councilman Linwood Johnson

Staff in Attendance: Amanda Jarratt, City Manager and Leesa Barnes, Executive Assistant, recording minutes

Other Staff in Attendance: Steve Patterson, Chief of Franklin City Police Department; Robert Porti, Deputy Chief of Franklin City Police Department; Steve Newsome, Network Administrator; Tracy Spence, Director of Finance; Sarah Rexrode, Director of Social Services; Sammara Green-Bailey, Director of Parks & Recreation; Russ Pace, Director of Publics Work; Brenda Rickman Commissioner of Revenue; Dinah Babb, Treasurer and Vernie Francis, Chief of Emergency Services

Call to Order

Mayor Frank Rabil called the May 10, 2021 Regular City Council Meeting to order at 7:00 p.m.

Citizen's Time

There was one citizen that sent the following email to read during Citizen's Time:

Kashif Carter; "I am writing to you on behalf of our community's Changing the Narrative (CTN) group. We currently meet on the first and third Tuesday of each month to discuss the issues in our community that have been keeping us divided – as well as activities and events that can help to unify our community.

We are a quite diverse group, with each member of the group playing different but important roles in the community's success – which is why we recently reached out to each Council member and each member of the Race Relations team to extend an invitation to our future meetings.

We believe that we all must be able to effectively communicate and work together to strengthen the community to its full potential. Over the last few meetings, we have been joined by Department of Recreation Director Sammara Green-Bailey, Department of Social Services Director, Sarah Rexrode, Council member Mark R. Kitchen, and Chief Patterson of the Franklin Police Department. I personally was able to have a great heart-to-heart conversation with Council member Greg McLemore. A lot can be learned and changed by a simple heart-to-heart conversation.

The participation in CTN meetings as well as one-on-one conversations demonstrates their commitment to making things better in and for our community; it goes past their job description in serving our community, and it is appreciated. The time to act is now – and once again, we extend an open invitation to all Council members, as well as the Race Relations team, to become more directly involved with our effort to Change the Narrative in our community."

Amendments to Agenda

Mayor Frank Rabil asked if there were any amendments to the agenda.

There were no amendments to the agenda.

Consent Agenda

Approval of April 24, 2021 Minutes

Mayor Frank Rabil asked if there were any additions or corrections to the minutes from the May 10, 2021 regular City Council meeting.

There being no additions or corrections to the minutes from the May 10, 2021 regular City Council meeting Mayor Frank Rabil asked for a motion of approval.

Councilman Linwood Johnson made a motion to approve the minutes from the May 10, 2021 regular City Council meeting. The motion was seconded by Councilman Mark R. Kitchen.

The motion carried the vote by 7-0.

Mayor Frank Rabil stated that the motion passed unanimously.

Public Service Week Resolution #2021-10

Mayor Frank Rabil asked Councilman Gregory McLemore to read the Public Service Week Resolution #2021-10.

Mayor Frank Rabil entertained a motion to adopt the Public Service Week Resolution #2021-10.

Councilman Ray Smith made a motion to adopt the Public Service Week Resolution #2021-10. The motion was seconded by Councilman Linwood Johnson.

The motion carried the vote by 7-0.

Mayor Frank Rabil stated that the motion passed unanimously.

See Attached Resolution:

National Police Week Resolution #2021-11

MINUTES FROM THE MAY 10, 2021 REGULAR CITY COUNCIL MEETING

Mayor Frank Rabil asked Councilman Mark R. Kitchen to read the National Police Week Resolution #2021-11.

Councilman Linwood Johnson made a motion to adopt the National Police Week Resolution #2021-11. The motion was seconded by Councilman Ray Smith.

The motion carried the vote by 7-0.

Mayor Frank Rabil stated that the motion passed unanimously.

See Attached Resolution:

Public Hearing Plan of Finance – Davenport Resolution #2021-12

City Manager Amanda Jarratt stated the construction of the Southampton County Courthouse is set to begin in September of 2021. The time has come to begin the process to borrow funds to pay for the City of Franklin's share of this project. Davenport will provide City Council with a financing strategy that will have the least possible impact on the City budget. In addition, there are several projects identified by staff that need financing as outlined below.

- Southampton County Courthouse Project not to exceed \$20M – The City of Franklin is responsible for 21.42% of the cost equaling approximately \$4,284,000.00.
- Purchase of Franklin Redevelopment and Housing Authority Office \$383,000.00 – This project will replace the existing Social Services building which has suffered significant and costly building issues over the years.
- \$115,000.00 – purchase of bathroom facilities at Barrett's Landing.
- Excavator Replacement \$288,080.00 – This project would provide for the replacement of a 1998 excavator which is utilized by the Streets Division. This machine performs grading, excavating, as well as mowing and debris removal. The age of this machine is susceptible to breakdown and difficult in securing parts for repairs.
- Public Works Garage \$66,800 – This project would replace two thirty year old oil furnaces and add air conditioning to the Public Works garage. Replace old wiring, receptacles, and panel box. This provides a more effective and efficient heat source by replacing oil units that are well past their life expectancy. This will but the cost of health oil for this facility and provide a cleaner and healthier environment. This will also be beneficial in cost savings of service calls. Electrical upgrades will bring everything up to current code.
- Health Department \$125,127.00 – This project will replace all original windows, paint interior and replace ceiling tiles. This will add to the life of the building. This will also make the HVAC more efficient which will be a cost savings. Painting and ceiling tile will make this a cleaner healthier and safer environment for the customers as well as the employees.
- Leaf Loader Truck \$250,000.00 – This project provides for the replacement of the Leaf Loader Truck in the refuse division. Funds will be utilized to replace a 27-year-old Leaf Loader Truck with 63,702 miles and 7,600 hours that has outlived its usefulness. Parts are getting difficult to find and repair costs for FY20-21 have exceeded \$20,000 in six months.

City Manager Jarratt then recognized Mr. Rose of Davenport for further details.

Mr. Rose stated if Franklin City Council approved the resolution tonight hopefully the closing will be completed by June 30, 2021.

Mayor Frank Rabil opened the public hearing for speakers.

Being there were no speakers Mayor Frank Rabil closed the public hearing.

Councilman Gregory McLemore made the motion to approve Resolution #2021-12 and provide staff the authority to work with Davenport to make a final decision on the implementation of the financial plan. The motion was seconded by Councilman Linwood Johnson.

The vote was as follows:

MINUTES FROM THE MAY 10, 2021 REGULAR CITY COUNCIL MEETING

Mayor Frank Rabil	Aye
Vice-Mayor Bobby Cutchins	Aye
Councilman Linwood Johnson	Aye
Councilman Mark R. Kitchen	Aye
Councilwoman Wynndolyn Copeland	Aye
Councilman Ray Smith	Aye
Councilman Gregory McLemore	Nay

The motion carried the vote by 6-1.

Mayor Frank Rabil stated that the motion passed by 6-1.

See Attached Resolution:

Adoption of the FY 22 Budget

City Manager Amanda Jarratt stated in accordance with the budget calendar for FY 22 the public hearing on the budget is scheduled for adoption this evening. The FY 22 budget maintains the City's tax rate of \$1.03 and does not increase any other taxes or fees. Evaluating ways to implement the priorities and needs of a community which can be challenging under normal circumstances, were even more difficult while trying to keep the citizenry and the workforce safe. In an effort to meet the challenges the City of Franklin is currently facing, the entire management team joined together to present a balanced budget that provides essential services to our citizens. The grip that COVID-19 had on the nation, the Commonwealth and specifically the City of Franklin made the development of priorities different than ever before. City departments held the line in terms of requests and overall submitted flat budgets. The most valuable asset the City of Franklin has are its long-term dedicated employees that creatively do more with less each year to maintain City operations. The current budget includes frozen positions as well as the delay of critical projects. Despite all of this, City staff has pulled together for the best interest of the citizens. I remain in awe of their commitment to presenting a realistic balanced budget that meets the needs of the City of Franklin citizens and maintains City operations. The entire management team has spent hours analyzing how expenditures can be cut and services maintained. Moving forward City Council will work to identify priorities for the City of Franklin and the services that are considered essential to work toward a sustainable balanced budget.

The City's General Fund has experienced significant challenges over the past several fiscal years. As was shared in previous budget work sessions, the 2021 – 2022 budget was balanced utilizing \$195,000.00 from the Water & Sewer Fund, \$100,000.00 from the Solid Waste Fund, \$510,000.00 in savings from freezing / delaying positions and an additional \$360,600.00 from the Electric Fund above the normal transfer for operations. In prior years, there were valiant and concerted efforts aimed at maintaining the current tax rate. It is acknowledged, however absent strategic and incremental tax increases paired with growth of the tax base maintaining the levels of services that the citizens of Franklin are accustomed to will not be possible. In cooperation with Davenport and Company, management and the Franklin City Council have worked to stabilize the General Fund and increase the City's unassigned fund balance. In FY 19, the unassigned fund balance was in a position to dip below the required 15% policy minimum. Due to concerted effort and planning the fund balance is projected to be just over 25%.

Management is presenting a structurally balanced budget in the wake of fiscal challenges which are to a great extent, beyond the City's control. The City of Franklin is resilient even faced with what may appear as insurmountable challenges. Management remains optimistic about Franklin's future and knows that as a team we can move the City of Franklin forward.

The Proposed General Fund budget is \$26,270,037.00, and increase of \$219,288.00 or 8% above the FY 2020 – 2021 amended budget. During recent years, the City has evaluated programs and services and identified ways to improve efficiency without significantly reducing service levels directly impacting residents and customers. Efficiencies have been achieved across all departments and at this point, in order to maintain essential services, and increase in the revenue stream is necessary. The increases associated with this year's budget includes necessary capital projects and restoration of parks and recreation activities for the City of Franklin's youth.

Recommended Tax Rates

In consideration of the challenging days ahead associated with the negative impact of COVID-19, management recommends the real property tax rate remain the same at \$1.03 per \$100.00 of real property valuation for FY 2021 – 2022. All other tax categories are recommended to remain unchanged.

School Operating Fund

Regarding essential City financial support for the Franklin City Public Schools, the proposed budget includes current year funding of \$4,830,237.00. The City Council for several years held the base funding level and only approved one-time carryover funds resulting from the School Division having unexpected funds in their budget at fiscal year-end. It is also noteworthy that Franklin City Public Schools has had several hundred thousand dollars in excess in instruction each year. The use of restricted fund balance is in accordance with the adopted policy of the City of Franklin whereby approval of carry over funds will only take place upon conclusion of an adoption of the City's audit.

Management will continue to communicate to the school system that carryover funds should be restricted and utilized only for capital items and thus avoid the use of "one-time" or non-recurring funds (carryover) for recurring operating expenditures. Given the limitations and uncertainties of future City funding described earlier, school system appropriations may likely be similarly limited to any future end-of-year carryover funds which can and will vary dramatically from year to year. With these qualifying comments, management believes the recommended level of school system funding illustrates the continued high priority that the City has for adequately funding the public schools as evidenced by the City's favorable ranking among all Virginia cities in terms of per capita spending on education.

Capital Improvements Program

An additional but integral consideration for analysis concerning all categories of City services is further refinement and ongoing evaluation of the City's multi-year Capital Improvements Program (CIP) planning and funding strategies. Long-term capital needs remain on the horizon however staff successfully worked with Davenport & Company to fund two years of capital improvement projects. Only minimal CIP requests are recommended to be funded in the FY 2021 -2022 budget.

Personnel

Comments thus far have not addressed City government's number one asset essential to providing quality service to citizens and customers. This references the dedicated City employees that so skillfully serve the community throughout the year. Concerning personnel benefits, some historical review is needed on prior year actions. Included in the budget detail is additional historical salary increase information. In the FY 2020 -2021 year, the City of Franklin received a 4.9% decrease in insurance premiums. This decrease was shared between the employees and the City of Franklin. In FY 2021 – 2022, the City received a 4% decrease in premiums which again will be shared between the City and the employees. In addition, City Council took the proactive step to increase the insurance contributions by the City to equate to a minimum of 70% to decrease the burden on current employees as well as a tool to recruit new employees. Staff did receive a 2% COLA increase in November of 2020 as a result of steady revenues despite the ongoing COVID-19 pandemic. There is no COLA increase included in the current FY 22 budget however, it will be reviewed dependent on revenues in the fall of 2021.

Personnel costs are by far the largest single expenditure category in the City's budget as it is in practically any organization or enterprise. The FY 2021 – 2022 budget recommended total personnel costs is

\$12,268,558.00 which comprises 46.7% of the General Fund budget. While there are several positions frozen in the FY 22 budget Police Department and Public Works, positions are being restored in the Finance Department, Public Works, Parks and Recreation and the Fire Department. The City of Franklin will return to maintaining its own grounds maintenance crews which comprises the majority of the new employees. In addition, the City of Franklin is adding three new Fire and EMS positions to maintain our current level of service within the Franklin City limits.

Councilman Ray Smith thanked City Manager Jarratt and staff for all their efforts in organizing the FY 2022 budget.

Councilman Linwood Johnson made a motion to adopt the FY 2022 budget. The motion was seconded by Councilman Mark R. Kitchen.

The consensus of City Council was to vote by roll call.

The vote was as follows:

Mayor Frank Rabil	Aye
Vice-Mayor Bobby Cutchins	Aye
Councilman Linwood Johnson	Aye
Councilman Mark R. Kitchen	Aye
Councilwoman Wynndolyn Copeland	Aye
Councilman Ray Smith	Aye
Councilman Gregory McLemore	Aye

The motion carried the vote by 7-0.

Mayor Frank Rabil stated that the motion passed unanimously.

Old / New Business
Destination Marketing Organization Resolution #2021-13

City Manager Amanda Jarratt stated as one of the key first steps for the establishment of the City of Franklin's Tourism Department is the Franklin City Council needs to adopt a resolution to establish itself as an independent Destination Marketing Organization (DMO). City Manager Jarratt asked Carson Blythe, Director of Tourism to come forward to review the Destination Marketing Organization Resolution #2021-13.

Director Blythe stated that she thought it was in the best interest for the City of Franklin to adopt the Destination Marketing Organization. She recommended Council adopt the DMO because the organization promotes a location as an attractive travel destination. DMO's primarily exist to provide information to leisure travelers.

Mayor Frank Rabil asked Councilwoman Wynndolyn Copeland to read the Destination Marketing Organization Resolution.

Councilman Gregory McLemore made a motion to adopt the Destination Marketing Organization Resolution #2021-13. The motion was seconded by Councilwoman Wynndolyn Copeland.

The motion carried the vote by 7-0.

Mayor Frank Rabil stated that the motion passed unanimously.

See Attached Resolution:

City Manager's Report

City Manager Amanda Jarratt gave the following updates:

General Updates

- The COVID-19 cases in the City of Franklin are slowing. The City currently has 1,130 cases, 55 hospitalizations and 32 deaths. Vaccinations continue to be administered through various avenues within the Western Tidewater Health District and other venues. She gave kudos to the Health Department staff and to the City of Franklin staff, 76% of the City's population has had at least one vaccination. City Manager Jarratt stated by June 15, 2021 the majority of the Executive Order will be removed.
- The City of Franklin is seeking to fill a number of positions across multiple departments. Individuals seeking employment should review the opportunities posted at www.franklinva.com/employment.
- COVID-19 Municipal Relief Fund payments are available for accounts that are 30 days past due. These payments are for water, sewer and electric usage only. It will not pay for garbage usage, late fees, penalties not taxes. An application is needed for each payment. Payments are NOT guaranteed. They will be made on a first come, first serve basis and until the fund is depleted. Currently the City has given over \$100,000.00 and assisted over 100 customers.
- City Manager Jarratt announced there is a work session scheduled for May 17, 2021 at 6:00 p.m. between Franklin City Council and the Race Relations Committee. This work session will take place at the Franklin Business Center.
- City Manager Jarratt stated in response to the issues and questions that came up during citizen's time at the April 26, 2021 meeting in regards to the Parks and Recreation Department. Sammara Green-Bailey, Director of Parks and Recreations and staff are making a concerted effort to events are held across the City. Director Green-Bailey's home office is located at the Martin Luther King Center located at 683 Oak Street, Franklin, Virginia so a lot activities are hosted there. The majority of the activities, statistically 90% of all the special events and athletic programs are held at the Armory Park Complex. There are partnerships with churches and various organizations such as the Rock Church which is located in Hunterdale. There was a question in regards to marketing the activities that the Parks and Recreation Department schedules. The activities are always mentioned at City Council meetings and are advertised on the City of Franklin's website for the public to view.
- City Manager Jarratt announced that the City of Franklin received the American Rescue Plan Guidance which is about 150 pages. There will be a plan of action utilizing the fund soon.

Community Events

- Spring and Summer athletic leagues are posted on the City of Franklin website. All COVID-19 safety procedures will be followed.
- The Franklin Cruise In is held every Wednesday evening in Downtown Franklin.
- We Be Jamming is scheduled to begin on May 27, 2021 at Barrett's Landing.
- The City of Franklin Independence Day is scheduled for June 30, 2021 in conjunction with the Franklin Cruise In, Franklin Farmers Market and The Franklin Experience.
- The Franklin Farmers Market is scheduled to officially begin on Wednesday afternoons beginning on May 26, 2020 through September 8, 2021 from 4:00 p.m. – 7:00 p.m.

Council / Staff Reports on Boards / Commissions

Mayor Frank Rabil asked if there was anything to report on Council / Staff Reports on Boards / Commissions.

Councilman Ray Smith asked which board positions were still open.

City Manager Amanda Jarratt answered for City Council members there will need to be an appointment made to the Western Tidewater Regional Jail Board. She added for non-City Council members, there is an opening on the City of Franklin's Beautification Commission, Camp Community College Board, Blackwater Regional Library Board and the Industrial Development Authority.

Closed Session

There being no other items to discuss Mayor Frank Rabil entertained a motion to go into Closed Session.

Councilman Mark R. Kitchen moved that the City of Franklin, Virginia City Council adjourn into a closed meeting pursuant to Virginia Code Section 2.2-3711-A-1, 1. discussion of appointments to boards and commissions, to discuss the following subject or subjects: Camp Community College, Blackwater Regional Library Board, Beautification Commission, Industrial Development Authority, and;

2.2-3711-A-3, Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body specifically regarding property in Downtown Franklin.

2.2-3711-A-5, Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community specifically along Pretlow Industrial Park, Armory Drive and Franklin Regional Airport.

The motion was seconded by Councilwoman Wynndolyn Copeland.

The motion carried the vote by 7-0.

Mayor Frank Rabil stated that the motion passed unanimously.

City Council went into closed session at 7:35 p.m.

Motion Upon Returning to Open Session

Councilman Mark R. Kitchen moved that the City of Franklin, Virginia City Council adopt the attached closed meeting resolution to certify that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting held on April 26, 2021; (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the City of Franklin, Virginia City Council; and (iii) no action was taken in closed meeting regarding the items discussed.

The motion was seconded by Councilwoman Wynndolyn Copeland.

The motion carried the vote by 7-0.

Mayor Frank Rabil stated that the motion passed unanimously.

Other Action Items of Council

Vice-Mayor Bobby Cutchins made a motion to appoint Teresa Beale to serve on the Camp Community College Board. The motion was seconded by Councilman Linwood Johnson.

The motion carried the vote by 7-0.

Mayor Frank Rabil stated that the motion passed unanimously.

Adjournment

Councilman Mark R. Kitchen made a motion to adjourn the May 10, 2021 regular City Council meeting. The motion was seconded by Councilman Linwood Johnson.

The May 10, 2021 regular City Council meeting adjourned at 8:15 p.m.

Mayor

Clerk to City Council



**RESOLUTION #2021-14
ADULT ABUSE PREVENTION MONTH**

WHEREAS, during fiscal year 2020, Virginia Adult Protective Services received over 37,000 reports of adult abuse, neglect and exploitation, a 9.6 percent increase from the previous year; and

WHEREAS, older Virginians and Virginians with disabilities may be targets for abuse, which can occur in families and communities of all social, economic, racial and ethnic backgrounds; and

WHEREAS, in order to reduce the incidence of adult abuse in Virginia, there are a number of prevention programs that provide vital services to at risk populations including a 24-hour hotline, crisis intervention, emergency shelter, home-based and community services, public education, and legal advocacy; and

WHEREAS, local departments of social services used technology and creativity to reach survivors of maltreatment during the COVID-19 pandemic; and

WHEREAS, Adult Abuse Prevention Month offers Virginians the opportunity to participate in community efforts to improve the safety and well-being of people throughout our Commonwealth, to recognize the organizations and individuals who serve them, and to remember those affected by adult abuse; and

WHEREAS, the Virginia Department for Aging and Rehabilitative Services, home to the State Adult Protective Services Division, collaborates with local departments of social services to help older Virginians and Virginians with disabilities live free of abuse, neglect or exploitation;

NOW THEREFORE I, Frank M. Rabil, Mayor; do hereby recognize May 2021 as Adult Abuse Prevention Month in the City of Franklin, Virginia and I call this observance to the attention of all our citizens.

Proclaimed this 24th Day of May, 2021.

Frank M. Rabil, Mayor



*Office of the City Manager
Amanda C. Jarratt*

May 19, 2021

To: Franklin City Council

From: Amanda C. Jarratt, City Manager

Reference: The American Rescue Plan Act

Background Information

Staff will provide a briefing on the information we have to date regarding The American Rescue Plan Act. As was done previously, once we have a complete understanding on the limitations associated with the funding, staff will provide a list of recommended projects for Council approval.

Needed Action

None at this time.

FACT SHEET: The Coronavirus State and Local Fiscal Recovery Funds Will Deliver \$350 Billion for State, Local, Territorial, and Tribal Governments to Respond to the COVID-19 Emergency and Bring Back Jobs

May 10, 2021

Aid to state, local, territorial, and Tribal governments will help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery

Today, the U.S. Department of the Treasury announced the launch of the Coronavirus State and Local Fiscal Recovery Funds, established by the American Rescue Plan Act of 2021, to provide \$350 billion in emergency funding for eligible state, local, territorial, and Tribal governments. Treasury also released details on how these funds can be used to respond to acute pandemic response needs, fill revenue shortfalls among these governments, and support the communities and populations hardest-hit by the COVID-19 crisis. With the launch of the Coronavirus State and Local Fiscal Recovery Funds, eligible jurisdictions will be able to access this funding in the coming days to address these needs.

State, local, territorial, and Tribal governments have been on the frontlines of responding to the immense public health and economic needs created by this crisis – from standing up vaccination sites to supporting small businesses – even as these governments confronted revenue shortfalls during the downturn. As a result, these governments have endured unprecedented strains, forcing many to make untenable choices between laying off educators, firefighters, and other frontline workers or failing to provide other services that communities rely on. Faced with these challenges, state and local governments have cut over 1 million jobs since the beginning of the crisis. The experience of prior economic downturns has shown that budget pressures like these often result in prolonged fiscal austerity that can slow an economic recovery.

To support the immediate pandemic response, bring back jobs, and lay the groundwork for a strong and equitable recovery, the American Rescue Plan Act of 2021 established the Coronavirus State and Local Fiscal Recovery Funds, designed to deliver \$350 billion to state, local, territorial, and Tribal governments to bolster their response to the COVID-19 emergency and its economic impacts. Today, Treasury is launching this much-needed relief to:

- Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control;
- Replace lost public sector revenue to strengthen support for vital public services and help retain jobs;
- Support immediate economic stabilization for households and businesses; and,
- Address systemic public health and economic challenges that have contributed to the unequal impact of the pandemic on certain populations.

The Coronavirus State and Local Fiscal Recovery Funds provide substantial flexibility for each jurisdiction to meet local needs—including support for households, small businesses, impacted industries, essential workers, and the communities hardest-hit by the crisis. These funds also deliver resources that recipients can invest in building, maintaining, or upgrading their water, sewer, and broadband infrastructure.

Starting today, eligible state, territorial, metropolitan city, county, and Tribal governments may request Coronavirus State and Local Fiscal Recovery Funds through the Treasury Submission Portal. Concurrent with this program launch, Treasury has published an Interim Final Rule that implements the provisions of this program.

FUNDING AMOUNTS

The American Rescue Plan provides a total of \$350 billion in Coronavirus State and Local Fiscal Recovery Funds to help eligible state, local, territorial, and Tribal governments meet their present needs and build the foundation for a strong recovery. Congress has allocated this funding to tens of thousands of jurisdictions. These allocations include:

Type	Amount (\$ billions)
States & District of Columbia	\$195.3
Counties	\$65.1
Metropolitan Cites	\$45.6
Tribal Governments	\$20.0
Territories	\$4.5
Non-Entitlement Units of Local Government	\$19.5

Treasury expects to distribute these funds directly to each state, territorial, metropolitan city, county, and Tribal government. Local governments that are classified as non-entitlement units will receive this funding through their applicable state government. Treasury expects to provide further guidance on distributions to non-entitlement units next week.

Local governments should expect to receive funds in two tranches, with 50% provided beginning in May 2021 and the balance delivered 12 months later. States that have experienced a net increase in the unemployment rate of more than 2 percentage points from February 2020 to the latest available data as of the date of certification will receive their full allocation of funds in a single payment; other states will receive funds in two equal tranches. Governments of U.S. territories will receive a single payment. Tribal governments will receive two payments, with the first payment available in May and the second payment, based on employment data, to be delivered in June 2021.

USES OF FUNDING

Coronavirus State and Local Fiscal Recovery Funds provide eligible state, local, territorial, and Tribal governments with a substantial infusion of resources to meet pandemic response needs and rebuild a stronger, more equitable economy as the country recovers. Within the categories of eligible uses, recipients have broad flexibility to decide how best to use this funding to meet the needs of their communities. Recipients may use Coronavirus State and Local Fiscal Recovery Funds to:

- **Support public health expenditures**, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
- **Address negative economic impacts caused by the public health emergency**, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
- **Replace lost public sector revenue**, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
- **Provide premium pay for essential workers**, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
- **Invest in water, sewer, and broadband infrastructure**, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

Within these overall categories, Treasury’s Interim Final Rule provides guidelines and principles for determining the types of programs and services that this funding can support, together with examples of allowable uses that recipients may consider. As described below, Treasury has also designed these provisions to take into consideration the disproportionate impacts of the COVID-19 public health emergency on those hardest-hit by the pandemic.

1. Supporting the public health response

Mitigating the impact of COVID-19 continues to require an unprecedented public health response from state, local, territorial, and Tribal governments. Coronavirus State and Local Fiscal Recovery Funds provide resources to meet these needs through the provision of care for those impacted by the virus and through services that address disparities in public health that have been exacerbated by the pandemic. Recipients may use this funding to address a broad range of public health needs across COVID-19 mitigation, medical expenses, behavioral healthcare, and public health resources. Among other services, these funds can help support:

- **Services and programs to contain and mitigate the spread of COVID-19, including:**
 - ✓ Vaccination programs
 - ✓ Medical expenses
 - ✓ Testing
 - ✓ Contact tracing
 - ✓ Isolation or quarantine
 - ✓ PPE purchases
 - ✓ Support for vulnerable populations to access medical or public health services
 - ✓ Public health surveillance (e.g., monitoring for variants)
 - ✓ Enforcement of public health orders
 - ✓ Public communication efforts
 - ✓ Enhancement of healthcare capacity, including alternative care facilities
 - ✓ Support for prevention, mitigation, or other services in congregate living facilities and schools
 - ✓ Enhancement of public health data systems
 - ✓ Capital investments in public facilities to meet pandemic operational needs
 - ✓ Ventilation improvements in key settings like healthcare facilities

- **Services to address behavioral healthcare needs exacerbated by the pandemic, including:**
 - ✓ Mental health treatment
 - ✓ Substance misuse treatment
 - ✓ Other behavioral health services
 - ✓ Hotlines or warmlines
 - ✓ Crisis intervention
 - ✓ Services or outreach to promote access to health and social services
- **Payroll and covered benefits expenses** for public health, healthcare, human services, public safety and similar employees, to the extent that they work on the COVID-19 response. For public health and safety workers, recipients can use these funds to cover the full payroll and covered benefits costs for employees or operating units or divisions primarily dedicated to the COVID-19 response.

2. Addressing the negative economic impacts caused by the public health emergency

The COVID-19 public health emergency resulted in significant economic hardship for many Americans. As businesses closed, consumers stayed home, schools shifted to remote education, and travel declined precipitously, over 20 million jobs were lost between February and April 2020. Although many have since returned to work, as of April 2021, the economy remains more than 8 million jobs below its pre-pandemic peak, and more than 3 million workers have dropped out of the labor market altogether since February 2020.

To help alleviate the economic hardships caused by the pandemic, Coronavirus State and Local Fiscal Recovery Funds enable eligible state, local, territorial, and Tribal governments to provide a wide range of assistance to individuals and households, small businesses, and impacted industries, in addition to enabling governments to rehire public sector staff and rebuild capacity. Among these uses include:

- **Delivering assistance to workers and families**, including aid to unemployed workers and job training, as well as aid to households facing food, housing, or other financial insecurity. In addition, these funds can support survivor's benefits for family members of COVID-19 victims.
- **Supporting small businesses**, helping them to address financial challenges caused by the pandemic and to make investments in COVID-19 prevention and mitigation tactics, as well as to provide technical assistance. To achieve these goals, recipients may employ this funding to execute a broad array of loan, grant, in-kind assistance, and counseling programs to enable small businesses to rebound from the downturn.
- **Speeding the recovery of the tourism, travel, and hospitality sectors**, supporting industries that were particularly hard-hit by the COVID-19 emergency and are just now beginning to mend. Similarly impacted sectors within a local area are also eligible for support.
- **Rebuilding public sector capacity**, by rehiring public sector staff and replenishing unemployment insurance (UI) trust funds, in each case up to pre-pandemic levels. Recipients may also use this funding to build their internal capacity to successfully implement economic relief programs, with investments in data analysis, targeted outreach, technology infrastructure, and impact evaluations.

3. **Serving the hardest-hit communities and families**

While the pandemic has affected communities across the country, it has disproportionately impacted low-income families and communities of color and has exacerbated systemic health and economic inequities. Low-income and socially vulnerable communities have experienced the most severe health impacts. For example, counties with high poverty rates also have the highest rates of infections and deaths, with 223 deaths per 100,000 compared to the U.S. average of 175 deaths per 100,000.

Coronavirus State and Local Fiscal Recovery Funds allow for a broad range of uses to address the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households. Eligible services include:

- **Addressing health disparities and the social determinants of health**, through funding for community health workers, public benefits navigators, remediation of lead hazards, and community violence intervention programs;
- **Investments in housing and neighborhoods**, such as services to address individuals experiencing homelessness, affordable housing development, housing vouchers, and residential counseling and housing navigation assistance to facilitate moves to neighborhoods with high economic opportunity;
- **Addressing educational disparities** through new or expanded early learning services, providing additional resources to high-poverty school districts, and offering educational services like tutoring or afterschool programs as well as services to address social, emotional, and mental health needs; and,
- **Promoting healthy childhood environments**, including new or expanded high quality childcare, home visiting programs for families with young children, and enhanced services for child welfare-involved families and foster youth.

Governments may use Coronavirus State and Local Fiscal Recovery Funds to support these additional services if they are provided:

- within a Qualified Census Tract (a low-income area as designated by the Department of Housing and Urban Development);
- to families living in Qualified Census Tracts;
- by a Tribal government; or,
- to other populations, households, or geographic areas disproportionately impacted by the pandemic.

4. **Replacing lost public sector revenue**

State, local, territorial, and Tribal governments that are facing budget shortfalls may use Coronavirus State and Local Fiscal Recovery Funds to avoid cuts to government services. With these additional resources, recipients can continue to provide valuable public services and ensure that fiscal austerity measures do not hamper the broader economic recovery.

Many state, local, territorial, and Tribal governments have experienced significant budget shortfalls, which can yield a devastating impact on their respective communities. Faced with budget shortfalls and pandemic-related uncertainty, state and local governments cut staff in all 50 states. These budget shortfalls and staff cuts are particularly problematic at present, as these entities are on the front lines of battling the COVID-19 pandemic and helping citizens weather the economic downturn.

Recipients may use these funds to replace lost revenue. Treasury’s Interim Final Rule establishes a methodology that each recipient can use to calculate its reduction in revenue. Specifically, recipients will compute the extent of their reduction in revenue by comparing their actual revenue to an alternative representing what could have been expected to occur in the absence of the pandemic. Analysis of this expected trend begins with the last full fiscal year prior to the public health emergency and projects forward at either (a) the recipient’s average annual revenue growth over the three full fiscal years prior to the public health emergency or (b) 4.1%, the national average state and local revenue growth rate from 2015-18 (the latest available data).

For administrative convenience, Treasury’s Interim Final Rule allows recipients to presume that any diminution in actual revenue relative to the expected trend is due to the COVID-19 public health emergency. Upon receiving Coronavirus State and Local Fiscal Recovery Funds, recipients may immediately calculate the reduction in revenue that occurred in 2020 and deploy funds to address any shortfall. Recipients will have the opportunity to re-calculate revenue loss at several points through the program, supporting those entities that experience a lagged impact of the crisis on revenues.

Importantly, once a shortfall in revenue is identified, recipients will have broad latitude to use this funding to support government services, up to this amount of lost revenue.

5. Providing premium pay for essential workers

Coronavirus State and Local Fiscal Recovery Funds provide resources for eligible state, local, territorial, and Tribal governments to recognize the heroic contributions of essential workers. Since the start of the public health emergency, essential workers have put their physical well-being at risk to meet the daily needs of their communities and to provide care for others.

Many of these essential workers have not received compensation for the heightened risks they have faced and continue to face. Recipients may use this funding to provide premium pay directly, or through grants to private employers, to a broad range of essential workers who must be physically present at their jobs including, among others:

- ✓ Staff at nursing homes, hospitals, and home-care settings
- ✓ Workers at farms, food production facilities, grocery stores, and restaurants
- ✓ Janitors and sanitation workers
- ✓ Public health and safety staff
- ✓ Truck drivers, transit staff, and warehouse workers
- ✓ Childcare workers, educators, and school staff
- ✓ Social service and human services staff

Treasury’s Interim Final Rule emphasizes the need for recipients to prioritize premium pay for lower income workers. Premium pay that would increase a worker’s total pay above 150% of the greater of the state or county average annual wage requires specific justification for how it responds to the needs of these workers.

In addition, employers are both permitted and encouraged to use Coronavirus State and Local Fiscal Recovery Funds to offer retrospective premium pay, recognizing that many essential workers have not yet received additional compensation for work performed. Staff working for third-party contractors in eligible sectors are also eligible for premium pay.

6. Investing in water and sewer infrastructure

Recipients may use Coronavirus State and Local Fiscal Recovery Funds to invest in necessary improvements to their water and sewer infrastructures, including projects that address the impacts of climate change.

Recipients may use this funding to invest in an array of drinking water infrastructure projects, such as building or upgrading facilities and transmission, distribution, and storage systems, including the replacement of lead service lines.

Recipients may also use this funding to invest in wastewater infrastructure projects, including constructing publicly-owned treatment infrastructure, managing and treating stormwater or subsurface drainage water, facilitating water reuse, and securing publicly-owned treatment works.

To help jurisdictions expedite their execution of these essential investments, Treasury's Interim Final Rule aligns types of eligible projects with the wide range of projects that can be supported by the Environmental Protection Agency's Clean Water State Revolving Fund and Drinking Water State Revolving Fund. Recipients retain substantial flexibility to identify those water and sewer infrastructure investments that are of the highest priority for their own communities.

Treasury's Interim Final Rule also encourages recipients to ensure that water, sewer, and broadband projects use strong labor standards, including project labor agreements and community benefits agreements that offer wages at or above the prevailing rate and include local hire provisions.

7. Investing in broadband infrastructure

The pandemic has underscored the importance of access to universal, high-speed, reliable, and affordable broadband coverage. Over the past year, millions of Americans relied on the internet to participate in remote school, healthcare, and work.

Yet, by at least one measure, 30 million Americans live in areas where there is no broadband service or where existing services do not deliver minimally acceptable speeds. For millions of other Americans, the high cost of broadband access may place it out of reach. The American Rescue Plan aims to help remedy these shortfalls, providing recipients with flexibility to use Coronavirus State and Local Fiscal Recovery Funds to invest in broadband infrastructure.

Recognizing the acute need in certain communities, Treasury's Interim Final Rule provides that investments in broadband be made in areas that are currently unserved or underserved—in other words, lacking a wireline connection that reliably delivers minimum speeds of 25 Mbps download and 3 Mbps upload. Recipients are also encouraged to prioritize projects that achieve last-mile connections to households and businesses.

Using these funds, recipients generally should build broadband infrastructure with modern technologies in mind, specifically those projects that deliver services offering reliable 100 Mbps download and 100

Mbps upload speeds, unless impracticable due to topography, geography, or financial cost. In addition, recipients are encouraged to pursue fiber optic investments.

In view of the wide disparities in broadband access, assistance to households to support internet access or digital literacy is an eligible use to respond to the public health and negative economic impacts of the pandemic, as detailed above.

8. Ineligible Uses

Coronavirus State and Local Fiscal Recovery Funds provide substantial resources to help eligible state, local, territorial, and Tribal governments manage the public health and economic consequences of COVID-19. Recipients have considerable flexibility to use these funds to address the diverse needs of their communities.

To ensure that these funds are used for their intended purposes, the American Rescue Plan Act also specifies two ineligible uses of funds:

- **States and territories may not use this funding to directly or indirectly offset a reduction in net tax revenue due to a change in law from March 3, 2021 through the last day of the fiscal year in which the funds provided have been spent.** The American Rescue Plan ensures that funds needed to provide vital services and support public employees, small businesses, and families struggling to make it through the pandemic are not used to fund reductions in net tax revenue. Treasury's Interim Final Rule implements this requirement. If a state or territory cuts taxes, they must demonstrate how they paid for the tax cuts from sources other than Coronavirus State Fiscal Recovery Funds—by enacting policies to raise other sources of revenue, by cutting spending, or through higher revenue due to economic growth. If the funds provided have been used to offset tax cuts, the amount used for this purpose must be paid back to the Treasury.
- **No recipient may use this funding to make a deposit to a pension fund.** Treasury's Interim Final Rule defines a "deposit" as an extraordinary contribution to a pension fund for the purpose of reducing an accrued, unfunded liability. While pension deposits are prohibited, recipients may use funds for routine payroll contributions for employees whose wages and salaries are an eligible use of funds.

Treasury's Interim Final Rule identifies several other ineligible uses, including funding debt service, legal settlements or judgments, and deposits to rainy day funds or financial reserves. Further, general infrastructure spending is not covered as an eligible use outside of water, sewer, and broadband investments or above the amount allocated under the revenue loss provision. While the program offers broad flexibility to recipients to address local conditions, these restrictions will help ensure that funds are used to augment existing activities and address pressing needs.

Coronavirus State and Local Fiscal Recovery Funds

Frequently Asked Questions

AS OF MAY 10, 2021

This document contains answers to frequently asked questions regarding the Coronavirus State and Local Fiscal Recovery Funds (CSFRF / CLFRF, or Fiscal Recovery Funds). Treasury will be updating this document periodically in response to questions received from stakeholders. Recipients and stakeholders should consult the Interim Final Rule for additional information.

- For overall information about the program, including information on requesting funding, please see <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments>
- For general questions about CSFRF / CLFRF, please email SLFRP@treasury.gov
- Upon publication of the Interim Final Rule in the Federal Register, Treasury encourages stakeholders to submit public comments on the Interim Final Rule at [regulations.gov](https://www.regulations.gov)

Eligibility and Allocations

1. Which governments are eligible for funds?

The following governments are eligible:

- States and the District of Columbia
- Territories
- Tribal governments
- Counties
- Metropolitan cities
- Non-entitlement units, or smaller local governments

2. Which governments receive funds directly from Treasury?

Treasury will distribute funds directly to each eligible state, territory, metropolitan city, county, or Tribal government. Smaller local governments that are classified as non-entitlement units will receive funds through their applicable state government.

3. Are special-purpose units of government eligible to receive funds?

Special-purpose units of local government will not receive funding allocations; however, a state, territory, local, or Tribal government may transfer funds to a special-purpose unit of government. Special-purpose districts perform specific functions in the community, such as fire, water, sewer or mosquito abatement districts.

4. How are funds being allocated to Tribal governments, and how will Tribal governments find out their allocation amounts?

\$20 billion of Fiscal Recovery Funds was reserved for Tribal governments. The American Rescue Plan Act specifies that \$1 billion will be allocated evenly to all eligible Tribal governments. The remaining \$19 billion will be distributed using an allocation methodology based on enrollment and employment.

There will be two payments to Tribal governments. Each Tribal government's first payment will include (i) an amount in respect of the \$1 billion allocation that is to be divided equally among eligible Tribal governments and (ii) each Tribal government's pro rata share of the Enrollment Allocation. Tribal governments will be notified of their allocation amount and delivery of payment 4-5 days after completing request for funds in the Treasury Submission Portal. The deadline to make the initial request for funds is May 24, 2021.

In mid-May or shortly after completing the initial request for funds, Tribal governments will receive an email notification to re-enter the Treasury Submission Portal to confirm or amend their 2019 employment numbers that were submitted to the Department of the Treasury for the CARES Act's Coronavirus Relief Fund. The deadline to confirm employment numbers is June 7, 2021. Treasury will calculate each Tribal government's pro rata share of the Employment Allocation for those Tribal governments that confirmed or submitted amended employment numbers. In mid-June, Treasury will communicate to Tribal governments the amount of their portion of the Employment Allocation and the anticipated date for the second payment.

Eligible Uses – Responding to the Public Health Emergency / Negative Economic Impacts

5. What types of COVID-19 response, mitigation, and prevention activities are eligible?

A broad range of services are needed to contain COVID-19 and are eligible uses, including vaccination programs; medical care; testing; contact tracing; support for isolation or quarantine; supports for vulnerable populations to access medical or public health services; public health surveillance (e.g., monitoring case trends, genomic sequencing for variants); enforcement of public health orders; public communication efforts; enhancement to health care capacity, including through alternative care facilities; purchases of personal protective equipment; support for prevention, mitigation, or other services in congregate living facilities (e.g., nursing homes, incarceration settings, homeless shelters, group living facilities) and other key settings like schools; ventilation improvements in congregate settings, health care settings, or other key locations; enhancement of public health data systems; and other public health responses. Capital investments in public facilities to meet pandemic operational needs are also eligible, such as physical plant improvements to public hospitals and health clinics or adaptations to public buildings to implement COVID-19 mitigation tactics.

6. If a use of funds was allowable under the Coronavirus Relief Fund (CRF) to respond to the public health emergency, may recipients presume it is also allowable under CSFRF/CLFRF?

Generally, funding uses eligible under CRF as a response to the direct public health impacts of COVID-19 will continue to be eligible under CSFRF/CLFRF, with the following two exceptions: (1) the standard for eligibility of public health and safety payrolls has been updated; and (2) expenses related to the issuance of tax-anticipation notes are not an eligible funding use.

7. If a use of funds is not explicitly permitted in the Interim Final Rule as a response to the public health emergency and its negative economic impacts, does that mean it is prohibited?

The Interim Final Rule contains a non-exclusive list of programs or services that may be funded as responding to COVID-19 or the negative economic impacts of the COVID-19 public health emergency, along with considerations for evaluating other potential uses of Fiscal Recovery Funds not explicitly listed. The Interim Final Rule also provides flexibility for recipients to use Fiscal Recovery Funds for programs or services that are not identified on these non-exclusive lists but which meet the objectives of section 602(c)(1)(A) or 603(c)(1)(A) by responding to the COVID-19 public health emergency with respect to COVID-19 or its negative economic impacts.

8. May recipients use funds to respond to the public health emergency and its negative economic impacts by replenishing state unemployment funds?

Consistent with the approach taken in the CRF, recipients may make deposits into the state account of the Unemployment Trust Fund up to the level needed to restore the pre-pandemic balances of such account as of January 27, 2020, or to pay back advances received for the payment of benefits between January 27, 2020 and the date when the Interim Final Rule is published in the Federal Register.

9. What types of services are eligible as responses to the negative economic impacts of the pandemic?

Eligible uses in this category include assistance to households; small businesses and non-profits; and aid to impacted industries.

Assistance to households includes, but is not limited to: food assistance; rent, mortgage, or utility assistance; counseling and legal aid to prevent eviction or homelessness; cash assistance; emergency assistance for burials, home repairs, weatherization, or other needs; internet access or digital literacy assistance; or job training to address negative economic or public health impacts experienced due to a worker's occupation or level of training.

Assistance to small business and non-profits includes, but is not limited to:

- loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs;
- Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics, such as physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs; and
- Technical assistance, counseling, or other services to assist with business planning needs

10. May recipients use funds to respond to the public health emergency and its negative economic impacts by providing direct cash transfers to households?

Yes, provided the recipient considers whether, and the extent to which, the household has experienced a negative economic impact from the pandemic. Additionally, cash transfers must be reasonably proportional to the negative economic impact they are intended to address. Cash transfers grossly in excess of the amount needed to address the negative economic impact identified by the recipient would not be considered to be a response to the COVID-19 public health emergency or its negative impacts. In particular, when considering appropriate size of permissible cash transfers made in response to the COVID-19 public health emergency, state, local, territorial, and Tribal governments may consider and take guidance from the per person amounts previously provided by the federal government in response to the COVID crisis.

11. May funds be used to reimburse recipients for costs incurred by state and local governments in responding to the public health emergency and its negative economic impacts prior to passage of the American Rescue Plan?

Use of Fiscal Recovery Funds is generally forward looking. The Interim Final Rule permits funds to be used to cover costs incurred beginning on March 3, 2021.

12. May recipients use funds for general economic development or workforce development?

Generally, not. Recipients must demonstrate that funding uses directly address a negative economic impact of the COVID-19 public health emergency, including funds used for economic or workforce development. For example, job training for unemployed workers may be used to address negative economic impacts of the public health emergency and be eligible.

13. How can recipients use funds to assist the travel, tourism, and hospitality industries?

Aid provided to tourism, travel, and hospitality industries should respond to the negative economic impacts of the pandemic. For example, a recipient may provide aid to support

safe reopening of businesses in the tourism, travel and hospitality industries and to districts that were closed during the COVID-19 public health emergency, as well as aid a planned expansion or upgrade of tourism, travel and hospitality facilities delayed due to the pandemic.

Tribal development districts are considered the commercial centers for tribal hospitality, gaming, tourism and entertainment industries.

14. May recipients use funds to assist impacted industries other than travel, tourism, and hospitality?

Yes, provided that recipients consider the extent of the impact in such industries as compared to tourism, travel, and hospitality, the industries enumerated in the statute. For example, nationwide the leisure and hospitality industry has experienced an approximately 17 percent decline in employment and 24 percent decline in revenue, on net, due to the COVID-19 public health emergency. Recipients should also consider whether impacts were due to the COVID-19 pandemic, as opposed to longer-term economic or industrial trends unrelated to the pandemic.

Recipients should maintain records to support their assessment of how businesses or business districts receiving assistance were affected by the negative economic impacts of the pandemic and how the aid provided responds to these impacts.

15. How does the Interim Final Rule help address the disparate impact of COVID-19 on certain populations and geographies?

In recognition of the disproportionate impacts of the COVID-19 virus on health and economic outcomes in low-income and Native American communities, the Interim Final Rule identifies a broader range of services and programs that are considered to be in response to the public health emergency when provided in these communities. Specifically, Treasury will presume that certain types of services are eligible uses when provided in a Qualified Census Tract (QCT), to families living in QCTs, or when these services are provided by Tribal governments.

Recipients may also provide these services to other populations, households, or geographic areas disproportionately impacted by the pandemic. In identifying these disproportionately-impacted communities, recipients should be able to support their determination for how the pandemic disproportionately impacted the populations, households, or geographic areas to be served.

Eligible services include:

- Addressing health disparities and the social determinants of health, including: community health workers, public benefits navigators, remediation of lead paint or other lead hazards, and community violence intervention programs;

- Building stronger neighborhoods and communities, including: supportive housing and other services for individuals experiencing homelessness, development of affordable housing, and housing vouchers and assistance relocating to neighborhoods with higher levels of economic opportunity;
- Addressing educational disparities exacerbated by COVID-19, including: early learning services, increasing resources for high-poverty school districts, educational services like tutoring or afterschool programs, and supports for students' social, emotional, and mental health needs; and
- Promoting healthy childhood environments, including: child care, home visiting programs for families with young children, and enhanced services for child welfare-involved families and foster youth.

Eligible Uses – Revenue Loss

16. How is revenue defined for the purpose of this provision?

The Interim Final Rule adopts a definition of “General Revenue” that is based on, but not identical, to the Census Bureau’s concept of “General Revenue from Own Sources” in the Annual Survey of State and Local Government Finances.

General Revenue includes revenue from taxes, current charges, and miscellaneous general revenue. It excludes refunds and other correcting transactions, proceeds from issuance of debt or the sale of investments, agency or private trust transactions, and revenue generated by utilities and insurance trusts. General revenue also includes intergovernmental transfers between state and local governments, but excludes intergovernmental transfers from the Federal government, including Federal transfers made via a state to a locality pursuant to the CRF or the Fiscal Recovery Funds.

Tribal governments may include all revenue from Tribal enterprises and gaming operations in the definition of General Revenue.

17. Will revenue be calculated on an entity-wide basis or on a source-by-source basis (e.g. property tax, income tax, sales tax, etc.)?

Recipients should calculate revenue on an entity-wide basis. This approach minimizes the administrative burden for recipients, provides for greater consistency across recipients, and presents a more accurate representation of the net impact of the COVID- 19 public health emergency on a recipient’s revenue, rather than relying on financial reporting prepared by each recipient, which vary in methodology used and which generally aggregates revenue by purpose rather than by source.

18. Does the definition of revenue include outside concessions that contract with a state or local government?

Recipients should classify revenue sources as they would if responding to the U.S. Census Bureau’s Annual Survey of State and Local Government Finances. According to the Census Bureau’s [Government Finance and Employment Classification manual](#), the following is an example of current charges that would be included in a state or local government’s general revenue from own sources: “Gross revenue of facilities operated by a government (swimming pools, recreational marinas and piers, golf courses, skating rinks, museums, zoos, etc.); auxiliary facilities in public recreation areas (camping areas, refreshment stands, gift shops, etc.); lease or use fees from stadiums, auditoriums, and community and convention centers; and rentals from concessions at such facilities.”

19. What is the time period for estimating revenue loss? Will revenue losses experienced prior to the passage of the Act be considered?

Recipients are permitted to calculate the extent of reduction in revenue as of four points in time: December 31, 2020; December 31, 2021; December 31, 2022; and December 31, 2023. This approach recognizes that some recipients may experience lagged effects of the pandemic on revenues.

Upon receiving Fiscal Recovery Fund payments, recipients may immediately calculate revenue loss for the period ending December 31, 2020.

20. What is the formula for calculating the reduction in revenue?

A reduction in a recipient’s General Revenue equals:

$$\text{Max} \{ [\text{Base Year Revenue} * (1 + \text{Growth Adjustment})^{\left(\frac{n_t}{12}\right)}] - \text{Actual General Revenue}_t ; 0 \}$$

Where:

Base Year Revenue is General Revenue collected in the most recent full fiscal year prior to the COVID-19 public health emergency.

Growth Adjustment is equal to the greater of 4.1 percent (or 0.041) and the recipient’s average annual revenue growth over the three full fiscal years prior to the COVID-19 public health emergency.

n equals the number of months elapsed from the end of the base year to the calculation date.

Actual General Revenue is a recipient’s actual general revenue collected during 12-month period ending on each calculation date.

Subscript *t* denotes the calculation date.

21. Are recipients expected to demonstrate that reduction in revenue is due to the COVID-19 public health emergency?

In the Interim Final Rule, any diminution in actual revenue calculated using the formula above would be presumed to have been “due to” the COVID-19 public health emergency. This presumption is made for administrative ease and in recognition of the broad-based economic damage that the pandemic has wrought.

22. May recipients use pre-pandemic projections as a basis to estimate the reduction in revenue?

No. Treasury is disallowing the use of projections to ensure consistency and comparability across recipients and to streamline verification. However, in estimating the revenue shortfall using the formula above, recipients may incorporate their average annual revenue growth rate in the three full fiscal years prior to the public health emergency.

23. Once a recipient has identified a reduction in revenue, are there any restrictions on how recipients use funds up to the amount of the reduction?

The Interim Final Rule gives recipients broad latitude to use funds for the provision of government services to the extent of reduction in revenue. Government services can include, but are not limited to, maintenance of infrastructure or pay-go spending for building new infrastructure, including roads; modernization of cybersecurity, including hardware, software, and protection of critical infrastructure; health services; environmental remediation; school or educational services; and the provision of police, fire, and other public safety services.

However, paying interest or principal on outstanding debt, replenishing rainy day or other reserve funds, or paying settlements or judgments would not be considered provision of a government service, since these uses of funds do not entail direct provision of services to citizens. This restriction on paying interest or principal on any outstanding debt instrument, includes, for example, short-term revenue or tax anticipation notes, or paying fees or issuance costs associated with the issuance of new debt. In addition, the overarching restrictions on all program funds (e.g., restriction on pension deposits, restriction on using funds for non-federal match where barred by regulation or statute) would apply.

Eligible Uses – General

24. May recipients use funds to replenish a budget stabilization fund, rainy day fund, or similar reserve account?

No. Funds made available to respond to the public health emergency and its negative economic impacts are intended to help meet pandemic response needs and provide immediate stabilization for households and businesses. Contributions to rainy day funds and similar reserves funds would not address these needs or respond to the COVID-19 public health emergency, but would rather be savings for future spending needs.

Similarly, funds made available for the provision of governmental services (to the extent of reduction in revenue) are intended to support direct provision of services to citizens. Contributions to rainy day funds are not considered provision of government services, since such expenses do not directly relate to the provision of government services.

25. May recipients use funds to invest in infrastructure other than water, sewer, and broadband projects (e.g. roads, public facilities)?

Under 602(c)(1)(C) or 603(c)(1)(C), recipients may use funds for maintenance of infrastructure or pay-go spending for building of new infrastructure as part of the general provision of government services, to the extent of the estimated reduction in revenue due to the public health emergency.

Under 602(c)(1)(A) or 603(c)(1)(A), a general infrastructure project typically would not be considered a response to the public health emergency and its negative economic impacts unless the project responds to a specific pandemic-related public health need (e.g., investments in facilities for the delivery of vaccines) or a specific negative economic impact of the pandemic (e.g., affordable housing in a Qualified Census Tract).

26. May recipients use funds to pay interest or principal on outstanding debt?

No. Expenses related to financing, including servicing or redeeming notes, would not address the needs of pandemic response or its negative economic impacts. Such expenses would also not be considered provision of government services, as these financing expenses do not directly provide services or aid to citizens.

This applies to paying interest or principal on any outstanding debt instrument, including, for example, short-term revenue or tax anticipation notes, or paying fees or issuance costs associated with the issuance of new debt.

27. May recipients use funds to satisfy nonfederal matching requirements under the Stafford Act? May recipients use funds to satisfy nonfederal matching requirements generally?

Fiscal Recovery Funds are subject to pre-existing limitations in other federal statutes and regulations and may not be used as non-federal match for other Federal programs whose statute or regulations bar the use of Federal funds to meet matching requirements. For example, expenses for the state share of Medicaid are not an eligible use. For information on FEMA programs, please [see here](#).

Eligible Uses – Premium Pay

28. What criteria should recipients use in identifying essential workers to receive premium pay?

Essential workers are those in critical infrastructure sectors who regularly perform in-person work, interact with others at work, or physically handle items handled by others.

Critical infrastructure sectors include healthcare, education and childcare, transportation, sanitation, grocery and food production, and public health and safety, among others, as provided in the Interim Final Rule. Governments receiving Fiscal Recovery Funds have the discretion to add additional sectors to this list, so long as the sectors are considered critical to protect the health and well-being of residents.

The Interim Final Rule emphasizes the need for recipients to prioritize premium pay for lower income workers. Premium pay that would increase a worker's total pay above 150% of the greater of the state or county average annual wage requires specific justification for how it responds to the needs of these workers.

29. What criteria should recipients use in identifying third-party employers to receive grants for the purpose of providing premium pay to essential workers?

Any third-party employers of essential workers are eligible. Third-party contractors who employ essential workers in eligible sectors are also eligible for grants to provide premium pay. Selection of third-party employers and contractors who receive grants is at the discretion of recipients.

To ensure any grants respond to the needs of essential workers and are made in a fair and transparent manner, the rule imposes some additional reporting requirements for grants to third-party employers, including the public disclosure of grants provided.

30. May recipients provide premium pay retroactively for work already performed?

Yes. Treasury encourages recipients to consider providing premium pay retroactively for work performed during the pandemic, recognizing that many essential workers have not yet received additional compensation for their service during the pandemic.

Eligible Uses – Water, Sewer, and Broadband Infrastructure

31. What types of water and sewer projects are eligible uses of funds?

The Interim Final Rule generally aligns eligible uses of the Funds with the wide range of types or categories of projects that would be eligible to receive financial assistance through the Environmental Protection Agency's Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF).

Under the DWSRF, categories of [eligible projects](#) include: treatment, transmission and distribution (including lead service line replacement), source rehabilitation and decontamination, storage, consolidation, and new systems development.

Under the CWSRF, categories of [eligible projects](#) include: construction of publicly-owned treatment works, nonpoint source pollution management, national estuary program projects, decentralized wastewater treatment systems, stormwater systems, water conservation, efficiency, and reuse measures, watershed pilot projects, energy efficiency measures for publicly-owned treatment works, water reuse projects, security measures at publicly-owned treatment works, and technical assistance to ensure compliance with the Clean Water Act.

As mentioned in the Interim Final Rule, eligible projects under the DWSRF and CWSRF support efforts to address climate change, as well as to meet cybersecurity needs to protect water and sewer infrastructure. Given the lifelong impacts of lead exposure for children, and the widespread nature of lead service lines, Treasury also encourages recipients to consider projects to replace lead service lines.

32. May construction on eligible water, sewer, or broadband infrastructure projects continue past December 31, 2024, assuming funds have been obligated prior to that date?

Yes. Treasury is interpreting the requirement that costs be incurred by December 31, 2024 to only require that recipients have obligated the funds by such date. The period of performance will run until December 31, 2026, which will provide recipients a reasonable amount of time to complete projects funded with Fiscal Recovery Funds.

33. May recipients use funds as a non-federal match for the Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF)?

Recipients may not use funds as a state match for the CWSRF and DWSRF due to prohibitions in utilizing federal funds as a state match in the authorizing statutes and regulations of the CWSRF and DWSRF.

34. Does the National Environmental Policy Act (NEPA) apply to eligible infrastructure projects?

NEPA does not apply to Treasury's administration of the Funds. Projects supported with payments from the Funds may still be subject to NEPA review if they are also funded by other federal financial assistance programs.

35. What types of broadband projects are eligible?

The Interim Final Rule requires eligible projects to reliably deliver minimum speeds of 100 Mbps download and 100 Mbps upload. In cases where it is impracticable due to geography, topography, or financial cost to meet those standards, projects must reliably deliver at least 100 Mbps download speed, at least 20 Mbps upload speed, and be scalable to a minimum of 100 Mbps download speed and 100 Mbps upload speed.

Projects must also be designed to serve unserved or underserved households and businesses, defined as those that are not currently served by a wireline connection that reliably delivers at least 25 Mbps download speed and 3 Mbps of upload speed.

36. For broadband investments, may recipients use funds for related programs such as cybersecurity or digital literacy training?

Yes. Recipients may use funds to provide assistance to households facing negative economic impacts due to Covid-19, including digital literacy training and other programs that promote access to the Internet. Recipients may also use funds for modernization of cybersecurity, including hardware, software, and protection of critical infrastructure, as part of provision of government services up to the amount of revenue lost due to the public health emergency.

Non-Entitlement Units (NEUs)

37. Can states impose requirements or conditions on the transfer of funds to NEUs?

As the statute requires states to make distributions based on population, states may not place additional conditions or requirements on distributions to NEUs, beyond those required by the ARPA and Treasury's implementing regulations and guidance.

For example, states may not impose stricter limitations than permitted by statute or Treasury regulations or guidance on an NEU's use of Fiscal Recovery Funds based on the NEU's proposed spending plan or other policies, nor permitted to offset any debt owed by the NEU against its payment. Further, states may not provide funding on a reimbursement basis (e.g., requiring NEUs to pay for project costs up front before being reimbursed with Fiscal Recovery Fund payments), because this approach would not comport with the statutory requirement that states make distributions to NEUs within the statutory timeframe.

38. Can states transfer additional funds to local governments beyond amount allocated to NEUs?

Yes. The Interim Final Rule permits states, territories, and Tribal governments to transfer Fiscal Recovery Funds to other constituent units of government or private entities beyond those specified in the statute, as long as the transferee abides by the transferor's eligible use and other requirements. Similarly, local governments are authorized to transfer Fiscal Recovery Funds to other constituent units of government (e.g., a county is able to transfer Fiscal Recovery Funds to a city, town or school district within it).

39. What is the definition of "budget" for the purpose of the 75 percent cap on NEU payments, and who is responsible for enforcing this cap?

States are responsible for enforcing the "75 percent cap" on NEU payments, which is a statutory requirement that distributions to NEUs not exceed 75 percent of the NEU's

most recent budget. Treasury interprets the most recent budget as the NEU's most recent annual total operating budget, including its general fund and other funds, as of January 27, 2020. States may rely for this determination on a certified top-line budget total from the NEU. Funding amounts in excess of such cap must be returned to Treasury.

40. May states use funds to pay for the administrative costs of allocating and distributing money to the NEUs?

Yes. If necessary, states may use Fiscal Recovery Funds to support the administrative costs of allocating and distributing money to NEUs, as disbursing these funds itself is a response to the public health emergency and its negative economic impacts.

41. When will states get their payments for NEUs? When will NEUs get their payments?

States can find their state-level allocations for NEUs on the Treasury website. Treasury plans to issue further guidance on distributions and payments to NEUs in the coming days.

State governments that request their own funds under the Coronavirus State Fiscal Recovery Fund through Treasury's Submission Portal will be considered by Treasury to have requested funding for their non-entitlement units as well.

42. When will NEUs know if they are eligible for payment?

Treasury plans to provide further guidance on distributions and payments to NEUs in the coming days.

Ineligible Uses

43. What is meant by a pension "deposit"? Can governments use funds for routine pension contributions for employees whose payroll and covered benefits are eligible expenses?

Treasury interprets "deposit" in this context to refer to an extraordinary payment into a pension fund for the purpose of reducing an accrued, unfunded liability. More specifically, the interim final rule does not permit this assistance to be used to make a payment into a pension fund if both: (1) the payment reduces a liability incurred prior to the start of the COVID-19 public health emergency, and (2) the payment occurs outside the recipient's regular timing for making such payments.

Under this interpretation, a "deposit" is distinct from a "payroll contribution," which occurs when employers make payments into pension funds on regular intervals, with contribution amounts based on a pre-determined percentage of employees' wages and salaries. In general, if an employee's wages and salaries are an eligible use of Fiscal

Recovery Funds, recipients may treat the employee's covered benefits as an eligible use of Fiscal Recovery Funds.

Reporting

44. What records must be kept by governments receiving funds?

Financial records and supporting documents related to the award must be retained for a period of five years after all funds have been expended or returned to Treasury, whichever is later. This includes those which demonstrate the award funds were used for eligible purposes in accordance with the ARPA, Treasury's regulations implementing those sections, and Treasury's guidance on eligible uses of funds.

45. What reporting will be required, and when will the first report be due?

Recipients will be required to submit an interim report, quarterly project and expenditure reports, and annual recovery plan performance reports as specified below, regarding their utilization of Coronavirus State and Local Fiscal Recovery Funds.

Interim reports: States (defined to include the District of Columbia), territories, metropolitan cities, counties, and Tribal governments will be required to submit one interim report. The interim report will include a recipient's expenditures by category at the summary level and for states, information related to distributions to nonentitlement units of local government must also be included in the interim report. The interim report will cover activity from the date of award to July 31, 2021 and must be submitted to Treasury by August 31, 2021. Nonentitlement units of local government are not required to submit an interim report.

Quarterly Project and Expenditure reports: State (defined to include the District of Columbia), territorial, metropolitan city, county, and Tribal governments will be required to submit quarterly project and expenditure reports. This report will include financial data, information on contracts and subawards over \$50,000, types of projects funded, and other information regarding a recipient's utilization of award funds. Reports will be required quarterly with the exception of nonentitlement units, which will report annually. An interim report is due on August 31, 2021. The reports will include the same general data as those submitted by recipients of the Coronavirus Relief Fund, with some modifications to expenditure categories and the addition of data elements related to specific eligible uses. The initial quarterly Project and Expenditure report will cover two calendar quarters from the date of award to September 30, 2021 and must be submitted to Treasury by October 31, 2021. The subsequent quarterly reports will cover one calendar quarter and must be submitted to Treasury within 30 days after the end of each calendar quarter.

Nonentitlement units of local government will be required to submit the project and expenditure report annually. The initial annual Project and Expenditure report for nonentitlement units of local government will cover activity from the date of award to

September 30, 2021 and must be submitted to Treasury by October 31, 2021. The subsequent annual reports must be submitted to Treasury by October 31 each year.

Recovery Plan Performance reports: States (defined to include the District of Columbia), territories, metropolitan cities, and counties with a population that exceeds 250,000 residents will also be required to submit an annual recovery plan performance report to Treasury. This report will include descriptions of the projects funded and information on the performance indicators and objectives of each award, helping local residents understand how their governments are using the substantial resources provided by Coronavirus State and Local Fiscal Recovery Funds program. The initial recovery plan performance report will cover activity from date of award to July 31, 2021 and must be submitted to Treasury by August 31, 2021. Thereafter, the recovery plan performance reports will cover a 12-month period and recipients will be required to submit the report to Treasury within 30 days after the end of the 12-month period. The second Recovery Plan Performance report will cover the period from July 1, 2021 to June 30, 2022 and must be submitted to Treasury by July 31, 2022. Each annual recovery plan performance report must be posted on the public-facing website of the recipient. Local governments with fewer than 250,000 residents, Tribal governments, and nonentitlement units of local government are not required to develop a Recovery Plan Performance report.

Treasury will provide further guidance and instructions on the reporting requirements for program at a later date.

46. What provisions of the Uniform Guidance for grants apply to these funds? Will the Single Audit requirements apply?

Most of the provisions of the Uniform Guidance (2 CFR Part 200) apply to this program, including the Cost Principles and Single Audit Act requirements. Recipients should refer to the Assistance Listing for detail on the specific provisions of the Uniform Guidance that do not apply to this program. The Assistance Listing will be available on beta.SAM.gov.

Miscellaneous

47. May governments retain assets purchased with Fiscal Recovery Funds? If so, what rules apply to the proceeds of disposition or sale of such assets?

Yes, if the purchase of the asset was consistent with the limitations on the eligible use of funds. If such assets are disposed of prior to December 31, 2024, the proceeds would be subject to the restrictions on the eligible use of payments.

48. Can recipients use funds for administrative purposes?

Recipients may use funds to cover the portion of payroll and benefits of employees corresponding to time spent on administrative work necessary due to the COVID-19 public health emergency and its negative economic impacts. This includes, but is not

limited to, costs related to disbursing payments of Fiscal Recovery Funds and managing new grant programs established using Fiscal Recovery Funds.

Operational Questions

49. How does an eligible entity request payment?

Eligible entities (other than non-entitlement units) must submit their information to the [Treasury Submission Portal](#). Please visit the [Coronavirus State and Local Fiscal Recovery Fund](#) website for more information on the submission process.

50. I cannot log into the Treasury Submission Portal or am having trouble navigating it. Who can help me?

If you have questions about the Treasury Submission Portal or for technical support, please email covidreliefitsupport@treasury.gov.

51. What do I need to do to receive my payment?

All eligible payees are required to have a DUNS Number previously issued by Dun & Bradstreet (<https://www.dnb.com/>).

All eligible payees are also required to have an active registration with the System for Award Management (SAM) (<https://www.sam.gov>).

And eligible payees must have a bank account enabled for Automated Clearing House (ACH) direct deposit. Payees with a Wire account are encouraged to provide that information as well.

More information on these and all program pre-submission requirements can be found on the [Coronavirus State and Local Fiscal Recovery Fund](#) website.

52. Why is Treasury employing id.me for the Treasury Submission Portal?

ID.me is a trusted technology partner to multiple government agencies and healthcare providers. It provides secure digital identity verification to those government agencies and healthcare providers to make sure you're you – and not someone pretending to be you – when you request access to online services. All personally identifiable information provided to ID.me is encrypted and disclosed only with the express consent of the user. Please refer to ID.me Contact Support for assistance with your ID.me account. Their support website is <https://help.id.me>.

53. Why is an entity not on the list of eligible entities in Treasury Submission Portal?

The ARP statute lays out which governments are eligible for payments. The list of entities within the Treasury Submission Portal includes entities eligible to receive a direct

payment of funds from Treasury, which include states (defined to include the District of Columbia), territories, Tribal governments, counties, and metropolitan cities.

Eligible non-entitlement units of local government will receive a distribution of funds from their respective state government and should not submit information to the Treasury Submission Portal.

If you believe an entity has been mistakenly left off the eligible entity list, please email SLFRP@treasury.gov.

54. What is an Authorized Representative?

An Authorized Representative is an individual with legal authority to bind the government entity (e.g., the Chief Executive Officer of the government entity). An Authorized Representative must sign the Acceptance of Award terms for it to be valid.

55. How does a Tribal government determine their allocation?

Tribal governments will receive information about their allocation when the submission to the Treasury Submission Portal is confirmed to be complete and accurate.

56. How do I know the status of my request for funds (submission)?

Entities can check the status of their submission at any time by logging into [Treasury Submission Portal](#).

57. My Treasury Submission Portal submission requires additional information/correction. What is the process for that?

If your Authorized Representative has not yet signed the award terms, you can edit your submission with in the into [Treasury Submission Portal](#). If your Authorized Representative has signed the award terms, please email SLFRP@treasury.gov to request assistance with updating your information.

58. My request for funds was denied. How do I find out why it was denied or appeal the decision?

Please check to ensure that no one else from your entity has applied, causing a duplicate submission. Please also review the list of all eligible entities on the [Coronavirus State and Local Fiscal Recovery Fund](#) website.

If you still have questions regarding your submission, please email SLFRP@treasury.gov.

59. When will entities get their money?

Before Treasury is able to execute a payment, a representative of an eligible government must submit the government's information for verification through the [Treasury Submission Portal](#). The verification process takes approximately four business days. If any errors are identified, the designated point of contact for the government will be contacted via email to correct the information before the payment can proceed. Once verification is complete, the designated point of contact of the eligible government will receive an email notifying them that their submission has been verified. Payments are generally scheduled for the next business day after this verification email, though funds may not be available immediately due to processing time of their financial institution.

60. How does a local government entity provide Treasury with a notice of transfer of funds to its State?

For more information on how to provide Treasury with notice of transfer to a state, please email SLRedirectFunds@treasury.gov.



Coronavirus State and Local Fiscal Recovery Funds

The American Rescue Plan will deliver \$350 billion for state, local, territorial, and Tribal governments to respond to the COVID-19 emergency and bring back jobs.

The Coronavirus State and Local Fiscal Recovery Funds provide a substantial infusion of resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

Funding Objectives

- **Support urgent COVID-19 response efforts** to continue to decrease spread of the virus and bring the pandemic under control
- **Replace lost public sector revenue** to strengthen support for vital public services and help retain jobs
- **Support immediate economic stabilization** for households and businesses
- **Address systemic public health and economic challenges** that have contributed to the inequal impact of the pandemic

Eligible Jurisdictions & Allocations

Direct Recipients

- States and District of Columbia (\$195.3 billion)
- Counties (\$65.1 billion)
- Metropolitan cities (\$45.6 billion)
- Tribal governments (\$20.0 billion)
- Territories (\$4.5 billion)

Indirect Recipients

- Non-entitlement units (\$19.5 billion)



Support Public Health Response

Fund COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff



Address Negative Economic Impacts

Respond to economic harms to workers, families, small businesses, impacted industries, and the public sector



Replace Public Sector Revenue Loss

Use funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic



Premium Pay for Essential Workers

Offer additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors



Water and Sewer Infrastructure

Make necessary investments to improve access to clean drinking water and invest in wastewater and stormwater infrastructure



Broadband Infrastructure

Make necessary investments to provide unserved or underserved locations with new or expanded broadband access



For More Information: Please visit www.treasury.gov/SLFRP

For Media Inquiries: Please contact the U.S. Treasury Press Office at (202) 622-2960

For General Inquiries: Please email SLFRP@treasury.gov for additional information



Example Uses of Funds

Support Public Health Response

- **Services to contain and mitigate the spread of COVID-19**, including vaccination, medical expenses, testing, contact tracing, quarantine costs, capacity enhancements, and many related activities
- **Behavioral healthcare services**, including mental health or substance misuse treatment, crisis intervention, and related services
- **Payroll and covered benefits** for public health, healthcare, human services, and public safety staff to the extent that they work on the COVID-19 response

Replace Public Sector Revenue Loss

- **Ensure continuity of vital government services** by filling budget shortfalls
- **Revenue loss is calculated** relative to the expected trend, beginning with the last full fiscal year pre-pandemic and adjusted annually for growth
- **Recipients may re-calculate revenue loss** at multiple points during the program, supporting those entities that experience revenue loss with a lag

Water & Sewer Infrastructure

- **Includes improvements to infrastructure**, such as building or upgrading facilities and transmission, distribution, and storage systems
- **Eligible uses aligned to Environmental Protection Agency project categories** for the Clean Water State Revolving Fund and Drinking Water State Revolving Fund

Equity-Focused Services

- **Additional flexibility for the hardest-hit communities and families** to address health disparities, invest in housing, address educational disparities, and promote healthy childhood environments
- **Broadly applicable** to Qualified Census Tracts, other disproportionately impacted areas, and when provided by Tribal governments

Address Negative Economic Impacts

- **Deliver assistance to workers and families**, including support for unemployed workers, aid to households, and survivor's benefits for families of COVID-19 victims
- **Support small businesses** with loans, grants, in-kind assistance, and counseling programs
- **Speed the recovery of impacted industries**, including the tourism, travel, and hospitality sectors
- **Rebuild public sector capacity** by rehiring staff, replenishing state unemployment insurance funds, and implementing economic relief programs

Premium Pay for Essential Workers

- **Provide premium pay to essential workers**, both directly and through grants to third-party employers
- **Prioritize low- and moderate-income workers**, who face the greatest mismatch between employment-related health risks and compensation
- **Key sectors include** healthcare, grocery and food services, education, childcare, sanitation, and transit
- **Must be fully additive** to a worker's wages

Broadband Infrastructure

- **Focus on households and businesses** without access to broadband and those with connections that do not provide minimally acceptable speeds
- **Fund projects that deliver reliable service** with minimum 100 Mbps download / 100 Mbps upload speeds unless impracticable
- **Complement broadband investments** made through the Capital Projects Fund

Ineligible Uses

- **Changes that reduce net tax revenue** must not be offset with American Rescue Plan funds
- **Extraordinary payments into a pension fund** are a prohibited use of this funding
- **Other restrictions apply** to eligible uses

The examples listed in this document are non-exhaustive, do not describe all terms and conditions associated with the use of this funding, and do not describe all the restrictions on use that may apply. The U.S. Department of the Treasury provides this document, the State and Local contact channels, and other resources for informational purposes. Although efforts have been made to ensure the accuracy of the information provided, the information is subject to change or correction. Any Coronavirus State and Local Fiscal Recovery Funds received will be subject to the terms and conditions of the agreement entered into by Treasury and the respective jurisdiction, which shall incorporate the provisions of the Interim Final Rule and/or Final Rule that implements this program.



*Office of the City Manager
Amanda C. Jarratt*

May 18, 2021

To: Franklin City Council

From: Amanda C. Jarratt, City Manager

Reference: Master Agreement on Terms and Conditions for Accepting State Aviation Funding Resources

Background Information

The Master Agreement on terms and conditions for accepting State aviation funding resources is attached for our review. The agreement contains the terms and conditions for accepting funding from the Commonwealth for capital projects, facilities and equipment, security, maintenance, and aviation promotion projects for the Franklin Regional Airport.

Needed Action

Authorize the City Manager to execute the contract as presented.



**Commonwealth of Virginia
Department of Aviation
5702 Gulfstream Road
Richmond, Virginia 23250-2422**

**Master Agreement on Terms and Conditions
for Accepting State Aviation Funding Resources**

**Sponsor: City of Franklin
Airport: Franklin Regional Airport**

This Master Agreement on Terms and Conditions for Accepting State Aviation Funding Resources (herein referred to as the "Master Agreement") contains the terms and conditions for accepting state aviation funding from the Commonwealth of Virginia (hereinafter referred to as the "Commonwealth") for capital, facilities and equipment, security, maintenance, and aviation promotion projects. These terms and conditions become applicable when the **City of Franklin** (hereinafter referred to as the "Sponsor") accepts funds from the Commonwealth Airport Fund and/or the Aviation Special Fund. The terms and conditions of this Master Agreement may be modified or amended by the Virginia Aviation Board (hereinafter referred to as the "Board") and/or the Virginia Department of Aviation (hereinafter referred to as the "Department") at which time a revised Master Agreement or a written amendment to the Master Agreement will be provided to the Sponsor for execution. The new or revised terms and conditions of the revised Master Agreement or amendment will apply to funds allocated from the Commonwealth Airport Fund and/or the Aviation Special Fund after the effective date specified by the Board or Department for the new or revised language.

Part I - Definitions

For the purpose of this Master Agreement, the following definitions are used:

Airport: An Airport is an area of land or water that is used, or intended for public use, for the landing and takeoff of aircraft, and any appurtenant areas that are used, or intended for use, for airport buildings or other airport facilities or rights-of-way or easements, and together with all airport buildings and facilities located thereon.

Airport Layout Plan: An Airport Layout Plan is a scaled drawing of the existing and planned land and facilities supporting the development and operation of an airport.

Airport Real Property: Airport Real Property is property consisting of land, buildings, or other resources attached to or within the land or improvements or fixtures permanently attached to the land or a structure on an airport.

Airport Program Manual: The *Airport Program Manual* is the document, approved by the Board and issued by the Department that provides information on state aviation funding programs, Board policies, and administrative processes used by the Department to implement the policies, as it now exists or may hereafter be modified.

Allocation: An Allocation is the authorization to expend a specific amount of state funds for an eligible project approved by the Board and/or Department.

Contractor: A contractor is a private entity, including consultants and subcontractors, engaged by a Sponsor or Department to perform work.

Equipment: Equipment is all fixed assets other than Airport Real Property of an airport environs to include, but not limited to, maintenance equipment, navigational aid equipment, and security equipment.

FAA: FAA is the Federal Aviation Administration, an agency of the federal government.

Federally Funded Project: A Federally Funded Project is a project that is funded with monetary participation by one or more federal agencies, the Commonwealth, and the Sponsor.

Force Majeure Event(s): A Force Majeure Event(s) is an event of fire, flood, war, rebellion, riots, strikes, terrorism, or acts of God that may affect or prevent either party from timely or properly performing its obligation under the Master Agreement, Grant Agreement, or Allocation.

Grant Agreement: A Grant Agreement is the contract created upon the Sponsor's acceptance of the terms and conditions set forth in this document and the Department's Grant Offer, as evidenced by the Sponsor's execution of the Grant Offer.

Grant Amendment: A Grant Amendment is the written modification of the terms and conditions of a Grant Agreement, the acceptance of which is evidenced by the Sponsor's execution of the Grant Amendment.

Grant Obligation Term: The Grant Obligation Term is the time period specified in the Grant Agreement during which the terms, conditions, and assurances of the Grant Agreement, including this document, remain in effect. The Grant Obligation Term shall begin upon the date the final payment under the Grant Agreement is made by the Commonwealth.

Grant Offer: A Grant Offer is the terms and conditions upon which the Department is willing to provide funds to a Sponsor for an identified project, as specified in the Grant Agreement.

Grant Term: The Grant Term is the time period within which the Commonwealth will accept requests for reimbursement from the Sponsor pursuant to the Grant Agreement. The expiration date for such Grant Term will be specified in the Grant Agreement.

Operating Costs: Operating Costs are direct expenses associated with the operation of an airport, including but not limited to, recurring maintenance, utility expenses, and salary and wage expenses.

Reimbursement: A Reimbursement is the refunding of eligible costs incurred or expenses paid.

Scope of Work: A Scope of Work is a document that describes the tasks, schedule, deliverables, man hours, costs, and responsible parties for a project and is to be approved by the Sponsor, Department, FAA, Board, and/or applicable state or federal agencies as appropriate.

Sponsor: A Sponsor is an entity that is legally, financially, and otherwise able to assume and carry out the certifications, representations, warranties, assurances, covenants, and other obligations required in this document and in an executed Grant Agreement.

State Funded Project: A State Funded Project is a project that is funded with monetary participation by the Commonwealth and the Sponsor.

Usable Unit of Work: A Usable Unit of Work is a deliverable that allows the next phase of a project to begin or results in a facility or airport infrastructure that can be utilized for its intended purpose.

Part II - General Conditions

- A. The Sponsor agrees to comply with this Master Agreement, Grant Agreements, and Grant Amendments in accordance with all provisions of the *Code of Virginia, Virginia Administrative Code, and Airport Program Manual*, as approved by the Board and in force on the date of execution of each Grant Agreement.
- B. Consistent with the *Airport Program Manual*, the Sponsor shall annually certify to the Department that the Sponsor has adequate liability insurance or other means of financial responsibility to satisfy the minimum dollar amount required by the §5.1-88.7 *et seq.* of the *Code of Virginia (1950)*, as amended.
- C. A Grant Offer, if not fully accepted, shall expire and cease to be effective upon the expiration date stated on each Grant Offer.
- D. The maximum obligation of the Commonwealth shall be specified in the Grant Offer for each project.
- E. The expiration date of a Grant Term shall be specified in the Grant Offer for each project. No requests for reimbursement shall be accepted under the Grant Agreement after the expiration date and no further commitment for payment of monies under the Grant Agreement shall continue after the expiration date, whether or not the project described in the Grant Agreement is completed; provided, however, the Department in its sole discretion may extend the end date of the Grant Term for good cause shown in accordance with the *Airport Program Manual*.
- F. For Federally Funded Projects, at the time of execution of the state Grant Offer, the Sponsor shall have a written commitment by the federal funding agency(ies) for the federal funds identified in the state Grant Offer to provide financial support for the project described in said Grant Offer.
- G. For all projects, at the time of execution of a state Grant Offer, the Sponsor shall have a written commitment for local funds to support the project described in said Grant Offer. By executing the state Grant Offer, the Sponsor certifies that it has sufficient funds available to assure the operation and maintenance of the owned improvements and/or equipment funded under said Grant Offer, which the Sponsor will own or control.
- H. The Sponsor shall carry out and complete the project, identified in a Grant Agreement or Allocation award, in accordance with the approved Scope of Work to provide a Usable Unit of Work. The approved Scope of Work may be revised with prior written approval of the Department.

- I. The Sponsor shall operate and maintain the Airport, now existing or built in whole or in part as a result of all projects undertaken with state funds, as an airport open to the public for the duration of the Grant Obligation Term. The Grant Obligation Term included in any Grant Agreement begins upon final payment of the executed Grant Agreement. Sponsors of 14 CFR Part 139 Airports who receive state entitlement funds are obligated for 20 years from the last entitlement payment received.
- J. If the Airport closes or ceases to operate as an airport open to the public, the Sponsor shall repay to the Commonwealth the sum which is equal to the pro-rata share (computed monthly) of all state funding for Grant Agreements for which the Grant Obligation Term has not expired.
- K. The Sponsor is obligated to keep the Airport Layout Plan current, providing the Department, and as appropriate, FAA, with revisions of the appropriate Airport Layout Plan sheets.
- L. A Grant Agreement will be considered fully repaid to the Commonwealth at the expiration of the Grant Obligation Term, and the Sponsor shall have no further financial obligation to the Commonwealth under the Grant Agreement, with the exception of Grant Agreements for the purpose of land acquisition in either fee simple or easement, which are described in Part III - Special Conditions.
- M. All professional services, non-professional services, and goods associated with any funds allocated from the Commonwealth Airport Fund and/or the Aviation Special Fund shall be procured in accordance with the *Virginia Public Procurement Act* and/or the appropriate federal procurement regulations as specified in the FAA Grant Agreements and *Airport Improvement Program Handbook* in effect at the time such funds are allocated.
- N. The Sponsor shall maintain the Airport free and clear of obstructions to navigable airspace in accordance with the applicable standards of *Federal Aviation Regulation Part 77*, FAA Advisory Circular 150/5300-13, and *Virginia Administrative Code* Section 24 VAC 5-20-140, specifically that version applicable on the date of execution of each Grant Offer, for as long as the Airport remains an airport open to the public licensed by the Commonwealth.
- O. To the extent permitted by law, the Sponsor shall not release title to any Airport Real Property without first receiving written approval from the Department and, as appropriate, the FAA.
- P. Any equipment purchased under a State Funded Project shall be used only for maintaining facilities on Airport property as identified on the approved Airport Layout Plan and for any non-federal navigational aid facilities owned by the Department.
- Q. During the applicable Grant Obligation Term, the Sponsor shall not sell, trade in, or donate equipment purchased as part of a State Funded Project without the prior approval of the Department.
- R. All revenues generated by the Airport shall be expended by the Sponsor for improvements on the Airport, or for Airport land acquisition, or operating costs of the Airport.
- S. Sponsors of 14 CFR Part 139 Airports must maintain entitlement funds in an independent interest bearing account in order to be eligible to receive entitlement funds. The sponsor shall only deposit state entitlement funds into this account and provide documentation for this account that clearly reports the annual interest earned.

- T. The Sponsor shall at all times operate the Airport and its facilities which are necessary to serve the aeronautical users of the Airport in a safe and serviceable condition, with due regard to weather related conditions. For Airports with runway lighting systems, the Sponsor must keep the runway open 24 hours a day, 7 days a week, unless otherwise approved by the Department or unless temporarily affected by weather, mechanical conditions, or other emergency. The Sponsor must promptly issue a Notice(s) to Airmen (NOTAM) and notify the Department of any condition affecting the use of the Airport. Airport terminal buildings must be kept open during the hours published in the most current edition of FAA's Chart Supplement.
- U. The Master Agreement, subsequent Allocations and Grant Agreements, and any associated Grant Amendments, may be terminated or amended by the Department upon the occurrence of any of the following:
1. The Sponsor may terminate the project at any time by notifying the Department 60 calendar days in advance in writing that it intends to terminate the project. If such a termination occurs, the Sponsor shall repay the Department the funds received, according to either the provisions of this Master Agreement or the Grant Agreement, as determined in the sole discretion of the Department.
 2. The Sponsor may terminate a Grant Agreement, Grant Amendment(s), or Allocation at any time under the laws of the Commonwealth of Virginia where the Department has written notice of any material breach of any Grant Agreement, Grant Amendment(s), or Allocation; and the Department has failed to cure such breach within 90 calendar days. However, nothing herein shall constitute a waiver of the Commonwealth's or the Department's sovereign immunity.
 3. Upon 60 calendar day written notice to the Sponsor, the Department may terminate, in whole or in part, any funding under a Grant Agreement, Grant Amendment(s), or Allocation any time (1) it is determined that the Sponsor has materially breached the Grant Agreement, Grant Amendment(s), or Allocation and has failed to cure said breach after 90 calendar days, or if the Department in its sole judgment determines that compliance within 90 calendar days is not reasonable, then within such time period as the Department may thereafter specify in writing, (2) the Sponsor becomes insolvent, or (3) the Sponsor fails to properly apply provided funds as intended under the Grant Agreement, Grant Amendment(s), or Allocation. The Department shall notify the Sponsor promptly in writing of such a determination and provide the effective date of the termination. The Sponsor may request reconsideration from the Department in writing within 30 calendar days of the date of the Department's notification. The Department shall not terminate funding until the request has been reconsidered but may withhold funds in the interim in the sole discretion of the Department. Following a request for reconsideration, the decision of the Department will be made within 60 calendar days and will be final. If the Grant Agreement, Grant Amendment(s), or Allocation is terminated by the Department, the Sponsor shall repay the Department thereafter all funds received for the project. Such repayment shall be made within 60 calendar days following written notification by the Department of the amount to be repaid.
 4. Upon 60 calendar day written notice to the Sponsor, the Department may at any time terminate, in whole or in part, the funding under a Grant Agreement, Grant Amendment(s), or Allocation (1) if the Department fails to secure the necessary budgetary appropriation or allocation to fulfill its obligations under the Grant Agreement, Grant Amendment(s), or Allocation or (2) statutory changes affecting the program under which the funds were allocated render funding the Grant Agreement, Grant Amendment(s), or Allocation impossible. The Department shall notify the

Sponsor promptly in writing of any such determination and the effective date of such termination. Should the project be terminated by the Department as a result of lack of funds or statutory changes, the Department will exercise its best efforts to seek funds to be used to defray costs of shutting down the project, and the Sponsor is not required to repay those funds already paid to the Sponsor if such funds represent eligible project costs.

5. Reasonable delays, as determined by the Department, caused by any Force Majeure Event(s) during construction shall not be deemed a breach or default under a Grant Agreement, Grant Amendment(s), or Allocations. Upon the occasion of any Force Majeure Event(s) which makes it impossible for the project to be constructed and/or prevents the need for the project, the Department may at its sole discretion terminate the Grant Agreement, Grant Amendment(s), or Allocation. A Force Majeure Event(s) occurring during the period of the Grant Agreement, Grant Amendment(s), or Allocation may, in the sole discretion of the Department, result in a day-for-day extension(s) to any performance specified in the Grant Agreement, Grant Amendment(s), or Allocation.
 6. Reimbursements from the Sponsor may, in the sole discretion of the Department, require the payment of interest, using the prevailing statutory legal rate of interest established by the Virginia General Assembly, calculated from the date payment is made by the Department to the date of repayment by the Sponsor.
- V. Each year prior to the release of entitlement funds allocated pursuant to subdivision A3a of §58.1-638, the Sponsor of an air carrier airport shall submit an Entitlement Utilization Plan that outlines the planned use of such funds for the upcoming fiscal year to the Board for review and approval. The Board shall approve such plan provided that the use of funds is in accordance with Board policies. The determination that the Entitlement Utilization Plan is in accordance with Board policies shall be made in the sole discretion of the Board. The Sponsor may modify its plan during a fiscal year by submitting a revised plan to the Board for review.

The Board shall have the right to withhold entitlement funds in the event that the Entitlement Utilization Plan is not approved by the Board. The Board shall also have the right to recoup entitlement funds in the event that the Sponsor uses the funds in a manner that is inconsistent with the approved plan.

- W. The Sponsor and its Contractors shall maintain all books, documents, papers, accounting records, and any other written or electronic evidence supporting their project activities and the costs incurred. Such information shall be made available for audit and inspection at the respective Sponsor's offices at all times during the Grant Agreement, Grant Amendment(s), or Allocation period and for a period of four years from the end of the state fiscal year (i.e., June 30) in which the final payment is made, except for records pertaining to terminal buildings and the acquisition of land and easements. Records for terminal buildings shall be kept for the useful life of the terminal building. Records for the acquisition of land and easements shall be kept indefinitely. Copies of any such information shall be furnished by the Sponsor to the Department upon request.
- X. The Sponsor, its agents, and its Contractors shall permit any authorized representatives of the Department to inspect and audit all records of the Sponsor and its Contractors related to the performance of the Master Agreement or any Grant Agreements, Grant Amendments, and Allocations. This shall include, but not be limited to, the following:

1. All Sponsors must follow the requirements of *Generally Accepted Government Audit Standards*.
2. The Department reserves the right to require any Sponsor receiving federal and/or state funds, regardless of amount or funding category, to have an audit performed on any matter relating to a project funded by the Department through a Grant Agreement, Grant Amendment(s), or Allocation and to designate the scope of such audit.
3. If an independent Certified Public Accountant, other auditor, the Department, or any other party conducting an authorized audit finds the Sponsor not to be in compliance with any provision of the Master Agreement, Grant Agreement, Grant Amendment(s), Allocation, or any applicable federal or state law or regulation, the Sponsor must provide an approved corrective action plan to the Department within 60 calendar days of notification of the finding. The scope of any audit conducted must include those expenditures made by the Sponsor for the Grant Agreement, Grant Amendment(s), or Allocation, including consultants, subconsultants, and any other recipients of pass-through funds.
4. The Sponsor agrees that following the completion of any audit performed in accordance with the Master Agreement, it will refund to the Department within 60 calendar days any payments that are found by the Department to be unsupported by acceptable records or are found by the Department to be in violation of any other terms and conditions of the Master Agreement, Grant Agreement, Grant Amendment(s), Allocation, or the *Airport Program Manual*. Acceptable records are defined as original documents (such as timesheets, travel reimbursements, invoices, etc.) that were used to generate amounts on the reimbursement forms submitted to the Department or FAA. The Department also may require the Sponsor to furnish certified reports of all expenditures under any subcontracts.
5. All Sponsors of 14 CFR Part 139 Airports must submit audited financial statements including a third party audit for entitlement expenditures to the Department within 120 calendar days following the Sponsor's fiscal year end. The documents should be sent to:

Virginia Department of Aviation
Attention: Director, Airport Services Division
5702 Gulfstream Road
Richmond, VA 23250

- Y. If any specifics of a project generate the need for terms and conditions not provided for in this Master Agreement, any additional terms and conditions will be stated in the Grant Agreement for the project. In the event of any conflict between a provision in this Master Agreement and any provision in a Grant Agreement, then the Grant Agreement shall govern, but only for the purposes of the projects controlled by the Grant Agreement.
- Z. Should a Virginia court of competent jurisdiction invalidate or hold unenforceable any provision of the Master Agreement, or any provision of any Grant Agreement or Grant Amendment(s) entered into hereunder, or the application thereof in any particular circumstance, the remainder of the Master Agreement, Grant Agreement, or Grant Amendment(s) not dependent on the invalidated provision shall remain in full force and effect.

AA. This Master Agreement shall be construed and governed by the laws of the Commonwealth of Virginia without regard to conflict of law provisions. The parties hereto agree that any legal actions regarding the interpretation or enforcement of the Master Agreement, Grant Agreement, or Grant Amendment(s) entered into hereunder shall be heard in Virginia courts of competent jurisdiction in the City of Richmond, Virginia.

Part III - Special Conditions

A. Land and Easement Acquisition

All land acquired in either fee simple or easement as part of a Grant Agreement executed in conjunction with the Master Agreement shall continue to be dedicated exclusively, and in perpetuity, to aeronautical purposes. The Sponsor shall attach such covenants to the disposition of such land or easements as may be necessary to protect the Airport from encroachment from hazards to navigable airspace or land uses that may be incompatible with Airport operations. At such time as the land or easement originally acquired under a state grant is no longer required for aeronautical purposes; and upon official written release by the Department and, as appropriate, the FAA, the land or easement may be disposed of at fair market value. The proceeds of such disposition which are repayable to the Commonwealth shall be reimbursed at the same percentage by which the Commonwealth participated in the original acquisition.

B. Public-use Spaces and Areas

Except as stated herein, all spaces and areas constructed as part of a Grant Agreement, and designated as public-use and/or non-revenue producing, shall remain so designated for the Grant Obligation Term. Such public-use and/or non-revenue producing spaces shall be indicated on an approved structure floor plan, which shall be attached as an exhibit to the executed Grant Agreement.

If during the Grant Obligation Term the Sponsor changes the use of these areas designated public-use to proprietary-use (i.e., under the Sponsor's exclusive control) or from non-revenue producing to revenue producing, then the Sponsor shall repay to the Department a sum which is equal to the pro-rata share (computed monthly from the beginning of the Grant Obligation Term) of the space or area that is changed as a percentage of the entire square footage based on the original construction costs and the remaining period of the Grant Obligation Term.

The designated public-use and/or non-revenue producing space and area, shown on the approved structure plan noted above, constructed by the Sponsor under a Grant Agreement executed in conjunction with this Master Agreement shall be open and accessible in accordance with Part II - General Conditions, Section T, as set out above.

C. Bridge Loan

Prior to requesting a bridge loan for a federally eligible project, a Sponsor must insure that the project is included in the federal Airport Improvement Program.

Within 60 calendar days of any receipt of reimbursement from FAA, in full or in part, the Sponsor shall reimburse the Department the difference between the state's share of the eligible costs of the State Funded Project and the state's share of the eligible costs of the Federally Funded Project.

If FAA has not reimbursed the sponsor within 48 months from the beginning of the Grant Obligation Term of the Grant Agreement, the Sponsor shall fully reimburse the Department or request an extension of the payment period from the Board. Failure to do so may result in the Board finding the Sponsor non-compliant with assurances and may affect future funding.

D. Facilities and Equipment

1. The Sponsor shall pay all utility installation and recurring operating costs associated with a system owned and maintained by the Department, as described in the *Airport Program Manual*.
2. The Sponsor shall operate facilities and equipment, owned by either the Department or the Sponsor and installed under a state Grant Agreement, 24 hours a day, 7 days a week, unless otherwise approved by the Department in writing or unless temporarily affected by weather, mechanical conditions, or other emergency.
3. The Sponsor shall immediately notify the Department and issue a NOTAM to the appropriate FAA Flight Services Station or Operation Center about all inoperative equipment.
4. The Sponsor shall purchase and maintain insurance on all facilities and equipment placed in service under a Grant Agreement insuring against any loss and damage, and shall maintain public liability insurance, malicious mischief insurance, and insurance against such other hazards as may reasonably be required. The Department shall be notified in writing thirty (30) days prior to the cancellation of any such policy. The Sponsor shall not permit any condition to exist on the Airport which would wholly or partially invalidate the insurance thereon.

E. Private Ownership

The Sponsor of a privately-owned Airport shall execute and maintain a credit line deed of trust, as defined in §55-58.2 of the *Code of Virginia (1950)*, as amended, and in compliance with the *Airport Program Manual* to ensure sufficient collateral for the Commonwealth's investment in the Airport.

The Sponsor shall execute a new credit line deed of trust note for each Grant Agreement and Grant Amendment(s).

Part IV - Acceptance

The Sponsor's acceptance of this *Master Agreement on Terms and Conditions for Accepting State Aviation Funding Resources* shall be evidenced by execution of this instrument by, or on behalf of, the Sponsor, as hereinafter provided, and unless terminated or modified, this Master Agreement will apply to funds allocated from the Commonwealth Airport Fund and/or the Aviation Special Fund after the effective date of this Master Agreement. Such Master Agreement shall become effective upon the Sponsor's acceptance and shall remain in full force as provided herein.

The Sponsor hereby accepts and agrees to all the terms, conditions, and assurances contained in this *Master Agreement on Terms and Conditions for Accepting State Aviation Funding Resources*.

Executed this _____ day of _____, 20_____

City of Franklin

By _____

Title _____

Attest _____

Title _____

Certification of Sponsor's Attorney

I, _____
acting as Attorney for the Sponsor do hereby certify that in my opinion the Sponsor is empowered to enter into the foregoing Master Agreement under the laws of the Commonwealth of Virginia. Further, I have examined the foregoing Master Agreement and the actions taken by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the Commonwealth of Virginia. Further, it is my opinion that the said Master Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Dated at _____, Virginia this _____ day of _____, 20_____

By _____

Title _____



*Office of the City Manager
Amanda C. Jarratt*

May 18, 2021

To: Franklin City Council

From: Amanda C. Jarratt, City Manager

Reference: Beautification Commission Bylaws

Background Information

Currently the Bylaws of the City of Franklin Beautification Commission require that individuals appointed by a citizen of the City of Franklin. The Beautification met and recommends that Franklin City Council amend the current Bylaws to allow an individual that owns a business or that is employed by a business in the City of Franklin to serve. There are a number of other volunteer Boards and Commissions throughout the City that make this allowance.

Needed Action

Consider the proposed amendment to the Bylaws of the City of Franklin Beautification Commission.

BY-LAWS OF THE FRANKLIN BEAUTIFICATION COMMISSION
ADOPTED JULY 13, 1999
~~Revised January 14, 2003~~
Revised April 14, 2015(meeting date & time)
Revised July 11, 2017 (7 members)
Revised May 24, 2021

ARTICLE I – AUTHORIZATION

- 1-1. The Franklin Beautification Commission is established in conformance with an ordinance adopted by the City Council of Franklin, Virginia, on March 26, 1984.
- 1-2. The official title of the beautification commission shall be “The Franklin Beautification Commission”, hereinafter referred to as “The Commission”.

ARTICLE II – PURPOSE

- 2-1. The purpose of the Commission is:
- 2-2. Advise and make recommendations to the City Manager regarding the care, preservation, pruning, planting, replanting, removal or dispositions of trees, shrubs, bushes and all other vegetation in parks, along streets and all other public places in the City.
- 2-3. Plan, develop and implement an on-going Litter Control Program.

ARTICLE III – MEMBERSHIP

- 3-1 The Commission shall consist seven (7) members who shall be residents of the City, own, or are employed by a business in the City of Franklin and who shall be appointed by City Council for staggered term.
- 3-2 To the extent that such persons are available members shall consist of landscape architects, landscape designers, arborists, gardeners and other persons interested in the appearance of the City, it’s streets, sidewalks, parks and other public places.
- 3-3 The terms of office for the members shall be for four (4) years.
- 3-4 Any vacancy in membership prior to expiration of their term shall be filled by appointment of the City Council for the unexpired portion of the term.
- 3-5 Re-appointment of members shall be at the discretion of the City Council.
- 3-6 The Commission may recommend to City Council the remove of any member and recommend members for appointment/re-appointment.
- 3-7 The term of a member shall expire immediately prior to the beginning of the regular monthly meeting at which meeting his successor’s term of office shall begin.
- 3-8 All members shall serve without compensation.

- 3-9 The term of any Commission member who misses three (3) consecutive meetings *without just cause* shall automatically expire and a new member shall be appointed to serve the balance of his or her time.

ARTICLE IV – SELECTION OF OFFICERS

- 4-1. Officers of the Commission shall consist of a chairman, vice-chairman and secretary. The officers shall be elected by the membership. The secretary may be a member of the Commission, an employee of the City government or a citizen volunteer.
- 4-2. Nomination of officers shall be made from the floor at the first regular scheduled meeting each year. Election of officers shall follow immediately. A candidate receiving a majority vote of the membership shall be declared elected.
- 4-3. The term of office shall be for one (1) year or until a successor takes office. The chairman may not serve more than two (2) consecutive one (1) year terms.
- 4-4. Any vacancies in office shall be filled for the unexpired portion of the term in the same manner as the officers are originally chosen.

ARTICLE V – DUTIES OF OFFICERS

5-1. **The chairman shall:**

- 5-1-1. Preside at meetings.
- 5-1-2. Appoint all committees.
- 5-1-3. Rule on all procedural questions (subject to a reversal by a two-thirds (2/3)-majority vote by the members present).
- 5-1-4. Carry out other duties as assigned by the membership.

5-2. **The vice-chairman shall:**

- 5-2-2. Be a member of the Commission
- 5-2-2. Act in the absence of inability of the chairman to act, with the full powers of the chairman.

5-3. **The secretary shall:**

- 5-3-1. Record attendance at all meetings.
- 5-3-2. Record the minutes of all Commission meetings.
- 5-3-3. Notify all members of all meetings.
- 5-3-4. Maintain a file of all official records and reports.
- 5-3-5. Attend to the correspondence necessary for the execution of the duties and functions of the Commission.

ARTICLE VI – COMMITTEES

- 6-1. The following committees may be appointed by the chairman to serve as needed:

- 6-1-1. Landscaping Committee.
 - 6-1-2. Communication Committee.
 - 6-1-3. Project Fund Raising Committee.
 - 6-1-4. Education Committee for Litter Control.
 - 6-1-5. Law Enforcement Committee for Litter Control.
 - 6-1-6. Gateway Enhancement Committee
- 6-2. Special committees may be appointed by the chairman for purposes and terms approved by the Commission.
- 6-3. The chairman may be an **ex-officio** member of every committee.

ARTICLE VII – MEETINGS

- 7-1. Regular meetings of the Commission shall be held on the first Tuesday of the month at 9:00 a.m. provided there is business to attend to (but shall at a minimum, meet once each quarter).
- 7-2. Special meetings may be called by the chairman or by two (2) members upon verbal or written request to the secretary. The secretary shall mail to all members, at least five (5) days before a meeting, a written notice giving the time, place and purpose of the meeting.
- 7-3. All meetings of the Commission shall be open to the public.
- 7-4. A majority of the members of the Commission shall constitute a quorum for the transaction of business.



*Office of the City Manager
Amanda C. Jarratt*

March 18, 2021

To: Franklin City Council

From: Amanda C. Jarratt, City Manager

Reference: Courthouse Update

Background Information

The Southampton County Courthouse project remains on schedule. The Southampton County Board of Supervisors will consider a lease agreement with Southampton County Public Schools for the former Hunterdale Elementary School at their meeting on May 25th. The trailer for the temporary facility at the Franklin Courthouse should be ordered in the next few weeks.

Needed Action

None at this time.



*Office of the City Manager
Amanda C. Jarratt*

May 19, 2021

To: Franklin City Council

From: Amanda C. Jarratt, City Manager

Reference: City Manager's Report

General Updates

- The COVID-19 cases in the City of Franklin are slowing. Vaccinations continue to be administered through various avenues within the Western Tidewater Health District and other venues.
- The City of Franklin is seeking to fill a number of positions across multiple departments. Individuals seeking employment should review the opportunities posted at www.franklinva.com/employment.
- COVID-19 Municipal Relief Fund payments are available for accounts that are 30 days past due. These payments are for water, sewer and electric usage only. It will not pay for garbage usage, late fees, penalties, nor taxes. An application is needed for each payment. Payments are NOT guaranteed. They will be made on a first come, first serve basis and until the fund is depleted. \$340,000.00 remains in the account at the time this report is being written.
- The public hearing for Ward 4, Ward 6, and the At Large seat on the Franklin City Public Schools School Board will be held on June 14th.
- The financing plan of action remains on schedule.

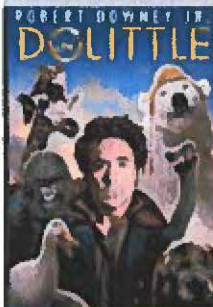
Community Events

- Spring and Summer athletic leagues and community wide events are posted on the City of Franklin website.
- The Franklin Cruise In is held every Wednesday evening in Downtown Franklin.
- We Be Jamming is scheduled to begin on May 27th at Barrett's Landing.
- The City of Franklin Independence Day is scheduled for June 30th in conjunction with the Franklin Cruise In, Franklin Farmers Market, and The Franklin Experience.
- The Franklin Farmers Market is scheduled to officially to begin on Wednesday afternoons beginning on May 26th through September 8th from 4:00 PM-7:00 PM.

Enjoy a **FREE** family-friendly event!!

2021 SUMMER OUTDOOR

MOVIE NIGHTS
AT THE PARK

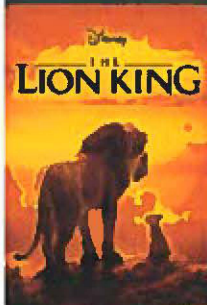


DOLITTLE

Date: July 24th 2021
Armory Park Complex
920 Armory Drive
Franklin, VA 23851

MONSTERS INC.

Date: August 21st , 2021
Park: Barrett's Landing Park
100 Barrett St.
Franklin, VA 23851



THE LION KING

Date: September 25, 2021
Park: Armory Park Complex
920 Armory Drive Street
Franklin, VA 23851

Movie Night(s) Info:

Movie Start Time: 8:30pm
Seating opens: 7:15pm
Movie Day: Saturday

* Be sure to bring chairs and blankets. There is limited bleachers space.

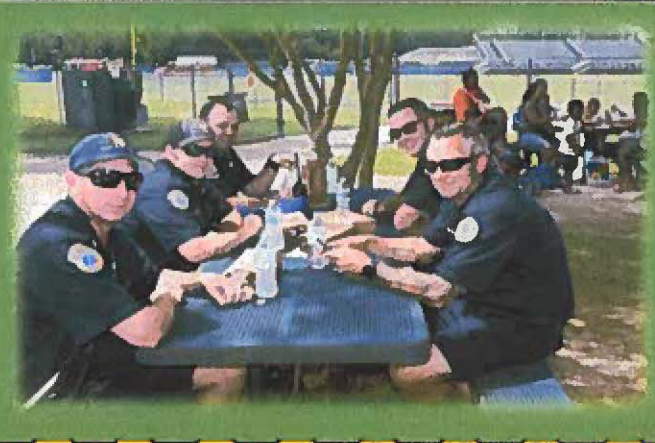
* Please note: No alcohol is permitted in the park. All children must be accompanied by adult.

* Light concessions will be available to purchase.



Franklin-Southampton Wellness Coalition Presents...

2021 Family Wellness Funday



Saturday, June 26 @10AM



Nightingale will be arriving/ landing on Armory Field at 1:30PM for children to tour...

Schedule of Events

- 10-10:30AM-Opening Remarks (City official)
- 11:30AM- Line Dancing/Band
- 12PM- Lunch
- 1PM- Zumba (15 Mins)
- 1:30PM-Nightingale Lands (Armory Field)
- 2PM-Closing Remarks

Free Fun Day For The Entire Family!!!

Come Join us for a Free Fun Day of Health Awareness, Inflatables, Face painting, Line Dancing, Free swim, Petting Zoo, vendors, Raffles and food. Event Held @ Armory Park 920 Armory Drive Franklin, VA

SAT JUN-05

10:30 - 1:30pm



COST OF CAMP

\$25

INCLUDES:

CAMP, PIZZA,
AND TAKE HOME
PRIZES

NURSE

CAMP



Pizza Included!

This camp will introduce campers
to the profession
of Nursing.

AGES 4-17



Location:

Martin Luther King Center: 683 Oak Street Franklin, VA 23851

REGISTER @ WWW.CAMP25.ORG

PHONE FOR MORE INFO 757-653-1667



COVID PROTOCOLS WILL BE IN PLACE. ALL CAMPERS MUST WEAR A MASK




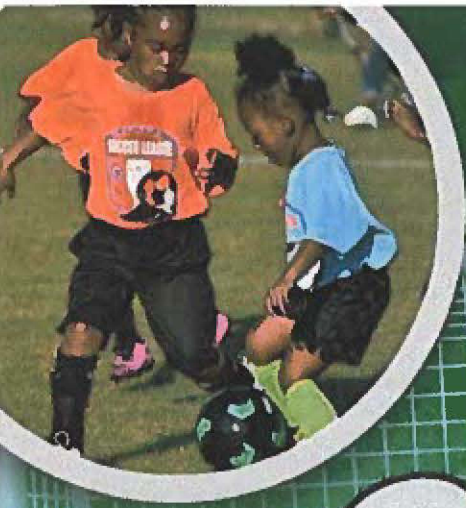
In Partnership with The Franklin Department of Parks and Recreation

COST

\$50

INCLUDES:

A Jersey, Games
and Practice



CAMP25

3rd annual soccer league

Practice Dates are 6/7, 6/14, 6/21, 6/28

Game Dates are 6/10, 6/17, 6/24, 7/1

Kids Ages 4-12 Kids will need to have cleats and shin guards

REGISTRATION DEADLINE - JUNE 1ST

Practices will be on Monday's at
Armory Field in Franklin, VA

All Games will be on Thursday's at 6:30 and
7:30 at Armory Field in Franklin VA

REGISTER @ WWW.CAMP25.ORG

PHONE FOR MORE INFO 757-653-1667

COVID PROTOCOLS WILL BE IN PLACE.

ALL CAMPERS MUST WEAR A MASK WHEN THEY ARE NOT IN THE GAME. SLOTS WILL BE LIMITED TO KEEP EVERYONE SAFE

